

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Executive Committee
August 9, 2012**

The Executive Committee of the Board of Regents, Midwestern State University, met in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 1:55 p.m., Thursday, August 9, 2012. Executive Committee members in attendance were Mr. Shawn Hessing, Chairman; Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; and Mrs. Jane Carnes, Member-at-Large. Other regents attending the meeting were Mrs. Tiffany Burks, Mr. Charles Engelman, Dr. Lynwood Givens, Mr. Jeff Gregg, Mr. Sam Sanchez, and Student Regent Holly Allsup.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Mr. Juan Sandoval, Vice President for Business Affairs and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Robert Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Mr. Kyle Owen, Associate Vice President for Facilities Services; Dr. Pam Morgan, Associate Vice President for Outreach and Engagement; Dr. Lynn Little, Dean, College of Science and Mathematics; Mr. Charlie Carr, Director of Athletics; Mr. David Spencer, Internal Auditor; Mr. Barry Macha, General Counsel; Ms. Dianne Weakley, Director of Human Resources; Dr. Jim Owen, Chairman of the MSU Faculty Senate; Ms. Jolene Welch, Chair of the MSU Staff Senate; Ms. Gail Ferguson, Controller; Ms. Valarie Maxwell, Director of Budget and Management; Mr. Steve Shelley, Director of Purchasing; Mr. Mike Dye, Chief Information Officer; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the student body was Mr. Anthony Gallina, Student Government Association (SGA) president. Representing the news media were Ms. Brittany Cottingham and Ms. Hannah Hoffman, co-editors of *The Wichitan*; Ms. Ann Work, *Times Record News*; Mr. David Gonzalez, KFDX-TV III; and Ms. Bethany Rumble, KAUZ-TV.

Chairman Hessing called the meeting to order at 1:55 p.m.

Reading and Approval of Minutes

12-124 & 125. The minutes of the Executive Committee meetings May 10 and July 11, 2012, were approved as presented.

Legislative Appropriations Request (LAR)

12-126. Mr. Hessing noted that as the board discussed in May, the university must submit its funding request to the state every two years. He added that while the majority of the LAR is made up of historical and budget data, there are items that require board approval. He noted that board members had previously been sent copies of Dr. Rogers'

Administrator Statement and a description of the exceptional item requests (see Attachment 1). He added that the administration recommended approval of these items.

Dr. Rogers noted that in the administrator's statement he provided an overview of the university's successes, strengths, and challenges. He reviewed the exceptional item request for \$2.9 million over the two year biennium to expand MSU's health sciences programs. He stated that the request includes the development of a second degree nursing program, expansion of the radiologic science program, and new equipment for the dental hygiene program. The final exceptional item request was for Tuition Revenue Bond funding to renovate Moffett Library into a smaller, more modern library, as well as provide new space for the West College of Education and Information Technology operations.

Mr. Bryant moved approval of these items as presented. Mrs. Carnes seconded the motion and it was approved.

Approval and Executive of University Contracts – MSU Policies and Procedures Manual

12-127. Mr. Hessing reported that Mr. Macha had been working with the internal auditor and administration to develop a new policy and procedures related to university contracts. He thanked Mr. Macha and Mr. Spencer for their efforts in this process.

Mr. Macha reviewed the proposed policy as shown in the agenda document. He noted that with the new policy, contracts of \$500,000 or more per year must be approved by the board, with the exception of those that relate to bequests, gifts, or grants to the university other than real property; and interagency agreements for the purchase of electricity and natural gas through a state program. In the new policy the board must approve contracts involving the acquisition, purchase, sale, or encumbrance of real property with the exception of a mineral lease valued less than \$100,000. An additional new provision requires board approval for contracts in excess of five years unless the contract can be terminated without cause with notice of 120 days or less. Mr. Macha noted revisions made to pages four and five of the proposed policy (see Attachment 2) to separate non-monetary affiliation and clinical agreements from grant proposals. He added that approval by the Vice President for Business Affairs and Finance will now be required for contracts of \$50,000 or more. Mr. Macha explained that he would review all contracts unless they use a standard, pre-approved form.

Mr. Macha indicated that he was very pleased that the university had purchased and implemented a computer program to help manage and monitor university contracts. He noted that all university contracts would be kept in one central location. He added that Mr. Shelley and the Purchasing Department have done a great job in getting the appropriate computer training.

Mrs. Carnes moved approval of this policy change as presented. Mr. Bernhardt seconded the motion.

Mr. Sanchez asked how the bid process overlapped with this policy. Mr. Macha responded that the contract routing sheet requires information regarding the type of procurement process that was used. Mr. Sanchez asked what the auditor's role would be in the process. Mr. Macha responded that he, Mr. Shelley, the vice presidents, and the president would ensure compliance with the process. Mr. Spencer added that his role would be after the fact when he audits overall contract compliance.

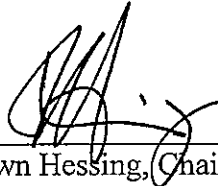
Dr. Givens asked for an example of the exception related to bequests or gifts. Mr. Macha stated that the exception would allow the president to accept a \$1 million gift to assist an academic program. Dr. Givens indicated that if an individual gave the university \$5 million and wanted his or her statue placed on campus, he understood the policy to allow the president to let a contract for \$5 million as long as it was from donated funds. Mr. Macha indicated that the intent of the policy was that the administration could accept the gift, but could not spend a \$5 million gift without board approval. Mr. Hessing suggested that the administration work on modifying wording prior to Friday's meeting.

The motion was tabled.

Adjournment

The Executive Committee discussion concluded at 2:28 p.m.

Reviewed for submission:



Shawn Hessing, Chairman
Midwestern State University
Board of Regents Executive Committee

ATTACHMENT:

1. LAR Administrator's Statement and Exceptional Item Requests
2. Proposed Policy Revisions – Policy 2.24

**Midwestern State University
Administrator's Statement
Legislative Appropriations Request
Fiscal Years 2014 and 2015**

Most universities in our nation, both public and private, are facing new and unprecedented challenges. Midwestern State University (MSU) is no exception. The administration, faculty, and Board of Regents of MSU recognize the challenges of educating more students in an effective and efficient manner at a reasonable cost with lower state funding. It is my belief that the nation's universities will not be supported directly from additional state higher education funding for the indefinite future. This does not represent a lack of willingness by state governments but a lack of available resources. States face burgeoning costs for social services and medical care. Today, after significant cuts in state funding, the university's funds for operations are based upon income from donors, tuition and fees, and state revenues. Approximately 42 percent of the university's academic operating funds now originate from tuition and fees, 22 percent from state funding, and 20 percent from grants and gifts.

Universities must deal with the cost of higher education without jeopardizing the quality of a college degree. Universities must embrace new strategies using communication technologies, while still providing the most current and sophisticated equipment, laboratories, and classrooms. MSU faces its own particular challenges if it is to maintain the ability to deliver a high quality baccalaureate and master's education to its students at a reasonable cost. The administration and faculty understand the environment of higher education and, consequently, MSU has completed a new five-year strategic plan consistent with the internal and external challenges faced by the university. One of the strengths of the university is that its faculty, Board of Regents, and administration have supported its stated mission consistently for many years. MSU is the only public liberal arts university in Texas. It was accepted as a member of the Council of Public Liberal Arts Colleges in 2006. Some of the university's sister institutions include Fort Lewis College, Georgia College and State University, Keene State College, Sonoma State University, and Truman State University. These universities distinguish themselves through a commitment to provide a superior liberal arts and sciences core education to undergraduate students. They further distinguish themselves through innovations in teaching, student interactions with faculty, and opportunities for undergraduate faculty supervised research. Affordable tuition rates and cultural and intellectual diversity are also integral to the educational program. Beautiful campuses in rural or small-towns are frequently distinguishing characteristics of these universities.

Perhaps the greatest challenge faced by MSU is to increase its four- and six-year graduation rates while maintaining the highest academic standards. The university has made significant policy changes in the past several years in order to secure its future by bringing students capable of doing collegiate work into the university and emphasizing their support to increase graduation rates. In 2006, the university raised its admission standards for the first time in over two decades. The positive results of this change, which included a decline in the number of required developmental courses and an increase in freshmen and sophomore retention rates, encouraged the university's administration and Board to raise admission standards again in 2011. Each time the standards were raised, the university's freshmen class enrollment shrank by approximately 250 students. However, the increased retention rate resulting from better prepared students

allowed the university to increase enrollment following the decline in 2006 and it is anticipated that the decline in enrollment experienced in 2011 will change as the retention rate increases. It should be noted that MSU had its two largest graduating classes in its history in 2010 and 2011.

The university's Board and administration have endeavored to maintain very reasonable tuition and fee rates to be competitive with institutions similar to MSU and to overcome the fact that MSU receives among the lowest state funding per full-time student of the Texas public institutions because of its low accumulated special item funding. In order to accommodate lower and near middle income students as a result of necessary tuition increases, the university's Board of Regents approved the administration's recommended Mustangs Guarantee Program in 2010. The Mustang Guarantee Program is designed for Texas resident students whose family's combined annual Adjusted Gross Income (AGI) is \$50,000 or less. The Mustangs Guarantee Program covers the balance of any tuition and mandatory fees not covered by other financial aid or benefit programs. In an effort to encourage graduation in four years, students participating in this program must enroll in at least 15 semester credit hours (SCH) each long term and complete 30 SCH each academic year.

Historical data demonstrates clearly that MSU has been vulnerable to the significant decline in the state and nation's economy. In 2007, 27 percent of MSU students came from the metropolitan area of Dallas/Fort Worth (DFW) which is approximately 110 miles east of Wichita Falls. From 2008 – 2009 a precipitous decline in this enrollment was noted. The departing students were tracked by the Texas Higher Education Coordinating Board (THECB). It was clear that a great number of these students dropped out of higher education and many transferred to community colleges near their homes. As the economy is recovering, MSU enrollment from the DFW area is showing an upward correlation.

MSU has an administration, a faculty, and a physical plant that will accommodate up to 7,500 students. Goal number one for MSU is to raise its enrollment to such a level by 2017. It is essential that this be accomplished in order to continue all of the university's academic programs and extracurricular activities. In order to achieve this goal, the university has appointed a new Vice President for Student Affairs and Enrollment Management who has developed an aggressive enrollment plan for 2012-2017. In order to accomplish the stated goal, the university will greatly expand its use of technology to communicate with current and future students. The university will have a portal system of communication with its students operational before the end of 2012. The university has greatly increased its efforts to retain students and increase its graduation rates through tutoring centers, expanded supplemental instruction, and expanded services for transfer students. The university now requires students to pass thirty hours in an academic year to receive competitive scholarships and participate in the Mustangs Guarantee Program. All of these efforts are necessary since MSU, located in Wichita Falls, Texas, is in a north central Texas corridor that has not changed in population since 1960. The population has increased in average age and declined in the number of eighteen year old potential college students. As time passes and this trend intensifies, the university's geographic and age demographics have changed significantly. It is now clear that the university must provide more housing to attract students from greater distances in order to achieve the enrollment and graduation rates desired.

In addition to increasing recruiting and retention efforts, the university must expand academic areas that have the greatest potential for growth. These include all programs in the College of Health Sciences and Human Services, the College of Science and Mathematics, and the McCoy

School of Engineering. The expansion of these programs, to a significant degree, is being supported by gifts totaling \$10.8 million from university benefactors that will allow the expansion of Bolin Science Hall, to include the development of new biology laboratories, petroleum geology laboratories, and physics laboratories. Additionally, the McCoy School of Engineering Hall will be expanded by several thousand square feet to allow the admission of more mechanical engineering students.

Expansion of Critical Field Health Science Programs

At the current time, the university must decline the applications of qualified students for programs in nursing and other allied health programs. It is in the university's strategic plan to expand the faculty, equipment, and clinical facilities in order to accommodate the acceptance of more qualified applicants into these critical health science programs. However, funds are not currently available for such initial program expansion. Funds totaling \$2,900,000 over the biennium are needed to expand these critical health science programs.

Midwestern State University has demonstrated a commitment to addressing shortages in health related disciplines and seeks exceptional item funding to expand academic programs in nursing and allied health programs to meet the workforce needs of Texas communities. An accelerated second-degree program targeting unemployed workers who desire to be a nurse would increase enrollment and meet a need in this region of the state. Unemployed workers with undergraduate degrees are ideal candidates for second-degree nursing programs because the return-to-work time is reduced, thereby saving unemployment costs, and workers gain a marketable skill.

Additionally, the MSU Department of Radiologic Science can expand its offerings and enrollment through an investment in additional faculty, the development of a series of continuing education courses for maintenance of certification, and an investment in new equipment to keep pace with medical imaging technology. MSU has been a leader in radiologic science education, establishing one of the first radiologist assistant programs and the first discipline-specific master's degree in radiologic science in the United States. Finally, this funding will allow the MSU Dental Hygiene Department to convert its dental imaging equipment and patient tracking process to a fully digital environment and thus continue to offer state-of-the-art educational experiences.

Tuition Revenue Bond for Library/College of Education/Information Technology Facility Project

MSU wishes to enter its statement of need of Tuition Revenue Bond funding. The administration, faculty, and Board of Regents of MSU are fully cognizant of the state's financial situation. However, in the event that Tuition Revenue Bonds are approved, Midwestern State University believes it can soundly justify the need for this project. MSU's current library was constructed in 1963-1964 shortly after Midwestern State became a state supported institution. The library was increased in size in 1986 and includes over 93,000 square feet. It is believed that a modest sized, but well planned, modern library of approximately 50,000 square feet would meet the needs of our university now and for the foreseeable future. The remainder of the building could then accommodate much needed space for the university's College of Education and the Information Technology division. Midwestern State University respectfully seeks authorization to issue Tuition Revenue Bonds totaling \$30 million for the project, should Tuition Revenue Bonds be approved during this or future sessions.

Effects of Budget Reductions

The university has already reduced or deferred administrative, faculty, and staff positions, as well as reduced funding for maintenance, operations, travel, and deferred maintenance projects. An additional five to ten percent reduction in appropriations would require Midwestern State University to use planned faculty and staff reductions as well as examine the need to reduce or possibly eliminate academic programs. It is not possible, nor is it desirable that the students of MSU bear the burden of balancing the university's budget through higher tuition. In summary, additional appropriations reductions will cut into the quality of education provided to MSU students.

As President of Midwestern State University, and as one who has taught at this university for over 35 years, I am very proud of the new faculty that have been hired to replace numerous faculty who were hired well over 30 years ago. Midwestern State University has expanded its outreach to bring in capable senior administrators to ensure the future of the institution. As part of the hiring process the university's faculty, administration, and Board of Regents have shown the best judgment in not only seeking the best prepared faculty, staff, and administrators, but determining their qualification beyond academic credentials. The university requires that all new faculty, staff, and administrators undergo criminal background checks prior to being hired. They are also vetted thoroughly through professional background checks.

I extend my thanks to the Board of Regents, the faculty, the staff, and the benefactors who have been involved in the development of this university. Additionally, I want to thank the State of Texas for the underlying support that provides a high quality education for the students of Texas through Midwestern State University.

Jesse W. Rogers
President

**Midwestern State University
Exceptional Item Funding Request
Legislative Appropriations Request
Fiscal Years 2014 and 2015**

I. Expansion of Critical Field Health Science Programs

Strategy Description and Justification:

Midwestern State University has demonstrated a commitment to addressing shortages in health related disciplines and seeks exceptional item funding to expand academic programs in nursing and allied health programs to meet the workforce needs of Texas communities. An accelerated second-degree program targeting unemployed workers who desire to be a nurse would increase enrollment and meet a need in this region of the state. Unemployed workers with undergraduate degrees are ideal candidates for second-degree nursing programs because the return-to-work time is reduced, thereby saving unemployment costs, and workers gain a marketable skill. In order to institute this program, funding for full-time faculty, adjunct faculty, staff, and equipment to support the expansion is needed. Additionally, the MSU Department of Radiologic Science can expand its offerings and enrollment through an investment in additional faculty, the development of a series of continuing education courses for maintenance of certification, and an investment in new equipment to keep pace with medical imaging technology. MSU has been a leader in radiologic science education, establishing one of the first radiologist assistant programs and the first discipline-specific master's degree in radiologic science in the United States. Finally, this funding will allow the MSU Dental Hygiene Department to convert its dental imaging equipment and patient tracking process to a fully digital environment and thus continue to offer state-of-the-art educational experiences.

External/Internal Factors Impacting Strategy:

The growing population of senior citizens and increased recognition of the importance of preventative care continues to place more demands on healthcare providers. The U.S. Department of Labor estimates job opportunities for registered nurses to grow by 26 percent, radiologic technologists by 28 percent, and dental hygienists by 38 percent between 2010 and 2020. This request for \$2.9 million over the biennium represents Midwestern State University's attempt to contribute to Closing the Gaps and address workforce demands in Texas.

	<u>FY 2014</u>	<u>FY 2015</u>	<u>Total</u>
Salaries – two FTE learning facilitators for simulation center	\$185,000	\$185,000	\$370,000
Salaries – one FTE support staff for simulation center	30,000	30,000	60,000
Salaries – two FTE nursing faculty and three adjunct clinical faculty	220,000	220,000	440,000

Salaries -- three FTE radiologic science faculty	275,000	275,000	550,000
Equipment -- advanced imaging equipment for radiologic sciences	600,000	0	600,000
Equipment -- dental hygiene digital imaging and data storage	400,000	0	400,000
Equipment -- upgrades and replacement of simulation manikins	300,000	0	300,000
Other Operating Expense -- increased funds for clinical travel, classroom technology, and preceptor training	90,000	90,000	180,000
TOTAL	<u>\$2,100,000</u>	<u>\$800,000</u>	<u>\$2,900,000</u>

II. Tuition Revenue Bond for Library/College of Education/Information Technology Facility Project

Strategy Description and Justification:

In the event that Tuition Revenue Bonds are approved, Midwestern State University believes it can soundly justify the need for this project. MSU's current library was constructed in 1963-1964 shortly after Midwestern State became a state supported institution. The library was increased in size in 1986 and includes over 93,000 square feet. It is believed that a modest sized, but well planned, modern library of approximately 50,000 square feet would meet the needs of our university now and for the foreseeable future. The remainder of the building could then accommodate much needed space for the university's College of Education and the Information Technology division. Midwestern State University respectfully seeks authorization to issue Tuition Revenue Bonds totaling \$30 million for the project, should Tuition Revenue Bonds be approved during this or future sessions.

Contracts involving grant proposals for sponsored research, including institutional support grants, and all non-monetary affiliation and clinical agreements	President or Appropriate Vice President; Vice President for Business Affairs & Finance
<u>Contracts involving non-monetary affiliation and clinical agreements</u>	<u>President or Provost and Vice President for Academic Affairs</u>
Fiscal approval of contracts of \$50,000 or more per year (except that all University employment contracts are exempt from this provision)	Vice President for Business Affairs & Finance
Approval of all contracts for information technology	Vice President for Administration & Institutional Effectiveness
Approval of all contracts unless using an unmodified standard contract form pre-approved in writing by the Office of General Counsel	General Counsel

D. Contract Signature Authorization Process

Prior to signing a contract, the contract review process must be completed as outlined in section C (Contract Approval Process) of this policy. The President has approved the following signature authority:

Contract Term	Signature Approval
Contract signature authorization for contracts approved by the Board in accordance with Section C (Contract Approval Process) of this policy, unless otherwise specified by the Board	President or President's designee
Contract signature authorization for contracts of \$500,000 or more per year related to: bequests, gifts, or grants to the University, other than real property; and interagency agreements for the purchase of electricity and natural gas through the Texas General Land Office's state energy marketing program	President or President's designee
Contract signature authorization for all contracts of \$100,000 or more but less than \$500,000 per year	President or President's designee
Contract signature authorization for all contracts related to the purchase, sale, or encumbrance of a mineral interest in real property having a monetary cost or value of less than \$100,000	President or President's designee
Contract signature authorization for all contracts and notices of employment for University personnel	President or President's designee
Contract signature authorization for licenses or other conveyances of intellectual property owned or controlled by the University	President or President's designee

Contract signature authorization for all contracts of less than \$100,000 per year	President or Appropriate Vice President
Contract signature authorization for all contracts involving grants for sponsored research, including institutional support grants, and all non-monetary affiliation and clinical agreements	President or Appropriate Vice President
<u>Contract signature authorization for all non-monetary affiliation and clinical agreements</u>	<u>President or Provost and Vice President for Academic Affairs</u>
Contract signature authorization for all contracts for information technology	President or the Vice President for Administration & Institutional Effectiveness

Delegations of signature authority to a designate may be made by the Chairperson of the Board of Regents or the President of the University only and must: be in writing; specify the need for compliance with these contract approval and signature authorization requirements; and be retained by the party making the delegation and the party receiving the delegation. A copy of the delegation shall be sent to the Controller, Office of General Counsel, and the Contract Administration Office.

Once contracts are signed, the Purchasing Office will create purchase orders (except for contracts not involving a purchase, e.g., affiliation or facility use agreements).

E. Administrative and Legal Review

1. The University's administration shall develop and implement *Contract Administration Procedures* for all contracts that include the following:
 - (a) All contracts are in writing and in the name of the University (not in the name of a department or an individual);
 - (b) Contracts comply with applicable federal and state law and regulations (including state purchasing requirements), and applicable University policies and procedures;
 - (c) Contracts are properly reviewed and approved prior to being signed by a person with delegated authority and evidenced by a properly completed *Contract Routing Sheet*;
 - (d) Contracts are properly maintained in accordance with the University's records management policy and records retention schedule and all state reporting requirements are completed in a timely manner and proper form;
 - (e) Contracts are monitored to ensure proper execution and performance; and
 - (f) The contract administration procedures will be annually assessed and identified improvements implemented.

The contract administration procedures shall also apply to any amendment, alteration, change, change order, correction, extension, modification, or renewal of a signed contract.

2. All contracts must be approved as to form and legal sufficiency by the Office of General Counsel before execution. The Office of General Counsel may approve standard contract forms which, if unmodified, may be used without obtaining further approval from the Office of General Counsel.

F. Prior Contracts

Contracts signed and approved in accordance with policies and procedures in effect prior to the effective date of this policy shall remain in full force and effect, but modifications or extensions to such contracts must be approved and signed in accordance with the provisions of this policy.

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Finance Committee
August 9, 2012**

The Finance Committee of the Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 2:28 p.m., Thursday, August 9, 2012. Committee members in attendance were Mr. Mike Bernhardt, Chairman; Mrs. Jane Carnes; Mr. Charles Engelman; and Mr. Jeff Gregg. Other regents attending the meeting were Mr. Kenny Bryant, Mrs. Tiffany Burks, Dr. Lynwood Givens; Mr. Shawn Hessing, Mr. Sam Sanchez, and Student Regent Holly Allsup.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Mr. Juan Sandoval, Vice President for Business Affairs and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Robert Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Mr. Kyle Owen, Associate Vice President for Facilities Services; Dr. Pam Morgan, Associate Vice President for Outreach and Engagement; Dr. Lynn Little, Dean, College of Science and Mathematics; Mr. Charlie Carr, Director of Athletics; Mr. David Spencer, Internal Auditor; Mr. Barry Macha, General Counsel; Ms. Dianne Weakley, Director of Human Resources; Dr. Jim Owen, Chairman of the MSU Faculty Senate; Ms. Jolene Welch, Chair of the MSU Staff Senate; Ms. Gail Ferguson, Controller; Ms. Valarie Maxwell, Director of Budget and Management; Mr. Steve Shelley, Director of Purchasing; Mr. Mike Dye, Chief Information Officer; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the student body was Mr. Anthony Gallina, Student Government Association (SGA) president. Representing the news media were Ms. Brittany Cottingham and Ms. Hannah Hoffman, co-editors of *The Wichitan*; Ms. Ann Work, *Times Record News*; Mr. David Gonzalez, KFDX-TV III; and Ms. Bethany Rumble, KAUZ-TV.

Chairman Bernhardt called the meeting to order at 2:28 p.m.

Reading and Approval of Minutes

12-128. The minutes of the Finance Committee meetings held May 10, 2012, were approved as presented.

Summary of Financial Support 9/1/11 - 7/15/12

12-129. Mr. Bernhardt noted that a corrected report was in each regent's folder (see Attachment 1). He added that with the correction, the gift total increased. Mr. Bernhardt highlighted the major gifts that had been received since the last board meeting.

- A. Mr. Joe B. Hood, Sr. donated \$300,000 for construction at the Dalquest Research Station.
- B. MSU received a \$12,200 grant from the Wichita Falls 100 Club to apply toward the purchase of communications equipment for the MSU Police Department.
- C. Mr. and Mrs. Daniel P. Schenk established the Danny and Donna Schenk Scholarship endowment with a \$50,000 contribution.
- D. Mrs. Gretta Robb donated \$20,000 to the Hogan Fund held by the MSU Foundation. Mrs. Robb requested that \$15,000 be used for scholarships and that \$5,000 be added to the Hogan Fund endowment.
- E. The university received an additional \$484,000 from the estate of Dorothy Warman.

Mr. Bernhardt reported that gifts received during this fiscal year as of July 15 total \$12 million. He added that the year-end gift report would be presented in November.

Dr. Rogers indicated that he was most appreciative of the support received from alumni and individuals within the local community. Dr. Farrell added that \$12 million was the second highest amount the university had received in any single year in its history, only exceeded in 2008 when the university received the over \$9 million gift from the Redwine Estate.

Mr. Bernhardt noted that a list of names and addresses of the recent donors was distributed to each regent and he encouraged regents to write thank you notes to these individuals.

Financial Reports

12-130. Mr. Bernhardt noted that the administration had recommended acceptance of the April, May, and June, 2012 Financial Reports. He asked Mr. Sandoval to comment on these reports.

Mr. Sandoval noted that he was pleased to report that as of June 30 the university experienced a turnaround in net operating funds of \$500,000 compared to a negative \$570,000 in 2011. He added that donor support was a significant part of the increase. He reported that while the university experienced a loss in income owing to the decline in enrollment, expenditures were reduced accordingly.

Mr. Engelman moved to accept the reports as presented. Mr. Gregg seconded the motion.

Mr. Bernhardt commended the administration on their efforts to reduce expenses. Mr. Hessing noted the report on working capital through August 31, 2013. He indicated that he would like to see a report on these reserves from 9/1/11 to 8/31/2012 and projected to 8/31/2013. He asked that the information be provided at the November meeting. Dr. Givens noted that there was a \$2 million difference in the working capital beginning and

ending balances. He asked if this was something the board should be concerned about. Mr. Sandoval stated that he was concerned and that he had worked with the university's Controller and Director of Budget and Management and there was a significant improvement in the projection for the upcoming year. He added that this would be discussed as part of the budget discussion. Dr. Givens indicated that when seeing a \$608,000 unallocated commitment to the FY 12 budget and the Technology Fee decrease of \$500,000, it appeared that the institution was either overspending or not budgeting appropriately. Dr. Rogers noted that the administration had intentionally built up the balance of the Technology Fee reserve, primarily planning for the purchase of the telephone switch. The additional funds were part of the university's plan to change the way it communicates with students and to upgrade technology on campus. Mr. Hessing noted that while the report makes it look as if the university is eating into its reserves, the explanation indicates that the administration was building the reserve to accommodate these needs. He indicated that they are actually appropriated funds that are being pulled forward. He stated that the administration should find a better way to present this information in the future.

There being no further discussion, the motion was approved.

Investment Report

12-131. Mr. Bernhardt stated that the board recently received a copy of the third quarter 2012 investment report. He noted that the board members were aware that the investment of local funds that are managed by the administration are heavily restricted by the Texas Public Funds Investment Act. These funds have seen a 1.18 percent return, which is quite good for these very safe investments. He noted that the endowment investments were also shown in the report and added that the committee would discuss the investment of the Redwine Funds as part of the next item.

Mr. Gregg moved the board accept these reports as presented. Mrs. Carnes seconded the motion and it was approved.

Investment Management Services

12-132. Mr. Bernhardt noted that during the May meeting the board asked the administration to provide an analysis of performance of the three firms that invest the Redwine Funds. Additionally, the board asked the administration to make a recommendation regarding the investment of the Redwine Funds. He noted that the analysis of performance was previously sent to each board member as shown in Attachment 2.

Dr. Rogers reminded the board that the Redwine Fund was broken into three parts and was distributed to three investment firms. He noted that after two years the fund had maintained approximately the same amount of money while scholarship funding had been taken from the fund twice. Dr. Rogers reported that one firm has given excellent service and has stayed within the board's investment policy without any extra encouragement, but their fee structure is high. He added that the performance of this firm is between that of the other two. He noted that another firm, Luther King, has performed very well, has a lower fee structure, but has had to be encouraged to

recalibrate the investments to stay within the university's investment policy guidelines. He indicated that, in his opinion, the decision of which firm to choose was between these two companies. He stated that after thorough review he recommended that the Redwine Fund investments be consolidated and placed with one investment firm, that being Luther King Investments. Dr. Rogers added his hope that the university could possibly negotiate lower fees by moving the funds to one firm.

Mrs. Carnes moved approval of this recommendation. Mr. Gregg seconded the motion.

Mr. Hessing stated that when the funds were originally invested the board and administration wanted to diversify the portfolio and felt the best way to do that was to invest one-third of the funds with three firms. He noted that one of the things that rapidly became apparent was that by splitting the money, the fee structure was not as efficient as it could have been if the funds had been invested with one firm. He indicated his opinion that the university could achieve a level of diversification with the funds invested with one firm by actively managing the portfolio with them.

Mr. Sanchez expressed concern that the firm had had issues with staying in compliance with the board's policy. Dr. Rogers indicated that the administration must remain vigilant in monitoring the investments and stay in close communication with the firm to ensure the investment policy is followed. Mr. Sanchez asked if the investment policy should perhaps be reviewed since the firm that did not always stay within the guidelines outperformed the other firms. Mr. Sandoval reported that the investment policy would be reviewed at the November board meeting. Mr. Hessing asked how far off the investments were from policy guidelines. Mr. Sandoval indicated that they were occasionally only off by one or two percent.

Mr. Engelman stated that the board had wanted to be safe in its investments. He noted that while he did not disagree with the selection, the top two firms had been most successful with their investing of the Redwine Funds. He indicated that one of the firms is invested totally in U.S. equities and the other firm is distributed between emerging markets, U.S. equities, and other areas. He indicated his concern that by limiting the investments to only one firm the overall portfolio would be less diversified.

Mr. Bryant noted that he was comfortable with the investment decisions two years ago. He indicated that the results were not what the board had hoped they would be. He indicated that he was pleased with the process and that the decision was made with patience and a thorough review.

Mr. Gregg noted that the high performer outperformed the middle performer by \$80,000 as of June 30. He asked if that was still the case. Dr. Rogers responded that he did not have updated information. Mr. Hessing added that it was likely to be the same or possibly better. Mr. Gregg asked if the institution would be exposing itself unnecessarily by not staying with two firms should the market go in the opposite direction. Mr. Bryant indicated that the board should not forget about the savings that could be received by going to one firm. Mr. Sandoval reported that Luther King charges .75% of the first \$2

million invested and .50 after that. The second best performer assesses 1.25% for the entire amount and they have indicated that the amount would go down to 1.10% if all of the funds were moved to them. Mr. Bernhardt noted that the institution could perhaps negotiate the fee down to .50 for the entire amount.

There being no further discussion, the motion was approved.

MSU Policies and Procedures Manual Changes Related to University Advancement and Gifts and Donations

12-133. Mr. Bernhardt noted that changes were recommended to the *MSU Policies and Procedures Manual* related to the area of university advancement. Dr. Rogers reported that Dr. Farrell's area had been reorganized and the recommended policy changes reflected those changes. Dr. Farrell noted that Mr. Steve Shipp, Director of University Development, had taken on more responsibility and that protocols in the development area had been streamlined.

Mr. Engelman moved approval of this items as presented. Mrs. Carnes seconded the motion and it was approved.

Financial Disclosure Statements

12-134. Mr. Bernhardt noted that each year the Board of Regents reviews copies of Financial Disclosure Statements of the President, the Vice President for Business Affairs and Finance, and the Controller. He indicated that the items were previously distributed to the board for review.

Mr. Gregg moved the board accept these items as presented. Mr. Engelman seconded the motion and it was approved.

University Accounts/Signature Authorizations

12-135. Mr. Bernhardt noted that the administration had recommended the following individuals be authorized to sign on university bank accounts, with two signatures required on all checks drawn from university accounts:

Dr. Jesse Rogers, President
Dr. Marilyn Fowlé, Vice President for Business Affairs and Finance
Ms. Gail Ferguson, Controller
Ms. Valarie Maxwell, Director of Budget and Management
Mr. Chris Stovall, Assistant Controller

The administration further recommended continued authorization for the President, Vice President for Business Affairs and Finance, and Controller or their designees to purchase and sell investment instruments in accordance with the Texas Public Funds Investment Act and the Board of Regents' Investment Policy, and perform all other normal banking transactions. It was noted that investment transactions may be authorized by verbal orders but must also be approved in writing by the President or the Vice President for Business Affairs and Finance.

The administration finally recommended the board continue to authorize the President, the Vice President for Business Affairs and Finance, the Provost and Vice President for Academic Affairs, and the Director of Human Resources to sign appropriate personnel retirement documents.

Mrs. Carnes moved approval of these recommendations as presented. Mr. Engelman seconded the motion.

Approval of Brokers/Dealers, Investment Vehicles, and Asset Holding Accounts

12-136. The administration recommended approval of the list of brokers/dealers, investment vehicles, and asset holding accounts for fiscal year 2013 as presented in the agenda document. Mr. Bernhardt noted that the brokers/dealers are the university's contacts who sell the university investment securities, primarily agency notes. The Asset Holding Accounts are safekeeping accounts that hold the investment securities and commercial paper electronically in the university's name. The Other Investment Vehicles/ Overnight Cash Pools are physical locations for invested cash, CD's, savings, and public fund pools. He added that the proposed brokers/dealers had filed required certifications acknowledging the university's investment policy.

Mr. Gregg moved approval of these recommendations as presented. Mr. Engelman seconded the motion and it was approved.

Review of Personnel Reports and Salary/Title/Position Changes in 2011-2012 Budget Approved per Board Authorization

12-137. Mr. Bernhardt indicated that the reports of personnel changes in April, May, and June, 2012 were presented for information as shown in the agenda document. Additionally, salary and position changes approved by the president were recommended for ratification as shown in the agenda. Mr. Bernhardt commented that the format of the report was changed at the request of the board in May.

Dr. Rogers reviewed the list of salary/title/position changes. He indicated that the new format presents current fiscal year cost or savings as well as the annual budget increase or decrease. He noted that the large increase shown since the last meeting was for the hiring of the Technical Analyst in Information Technology. This individual oversees the new portal system. Dr. Rogers added that the system would be operational in December.

Mrs. Carnes moved the board ratify these changes as presented. Mr. Engelman seconded the motion and it was approved.

Operating Budget for Fiscal Year 2013

12-138. Mr. Bernhardt stated that the administration previously distributed a copy of the proposed operating budget for the 2012-2013 fiscal year to the board for review. The administration recommended approval of this \$95,706,395 budget. He added that a copy of the Budget Highlights was also sent to the board as shown in Attachment 3.

Dr. Rogers reported that the proposed budget is \$1.55 million more than the current fiscal year. He noted that a two percent one-time salary payment was included in the budget. He added that faculty and staff have not received a salary increase in eighteen months. He stated that if enrollment increases, the two percent increase could possibly be added to base salaries in FY 14. Of the \$1.55 million budget difference, \$700,000 would provide the one-time salary payment. He added that scholarship funding increased by \$618,000 and that debt service and fringe benefit costs also increased. He noted Attachment 4 which showed a brief summary of the budget changes. The new revenue of \$1.14 million came from the increase in tuition and fees. Additionally, there was an increase in auxiliary reserves and undesignated donor support.

Dr. Rogers then reviewed the Budget Highlights. He noted the Renewal and Replacement funds and indicated that these are true reserves. He explained that funds are set aside each year for major emergency campus projects. He noted the allocation of the Higher Education Assistance Fund (HEAF). He explained that although a donor had given the university the money to pay off the Dillard debt, paying the debt off early would not have saved the university any interest costs. The donor authorized the university to use the \$2.2 million gift to begin work on the Campus Revitalization Plan. For that reason, a Dillard Building debt payment is shown on the HEAF list.

Dr. Rogers reported that the legislative requirement of waiving tuition and fees for various groups of people has gotten to be a significant part of the university's budget. MSU's income is reduced by more than \$1.5 million annually as a result of various waivers and exemptions that the administration and board have no control over. He added that several years ago the university made a significant amount of interest income on short-term funds. Unfortunately, these funds now earn less than two percent interest. He noted that increased enrollment was the key to maintaining a strong budget.

Mr. Sandoval reviewed a power point presentation regarding the FY 2013 budget (see Attachment 5). He noted that the budget is built by the president and vice presidents with input from the deans. He added that the administration analyzed the core needs of the university in developing the budget. Mr. Sandoval reported that state support of the total university budget had decreased from 36% in FY 2004 to 22.2% in FY 2013. Mr. Bryant asked if the funds from the state were allocated based on enrollment. Dr. Rogers responded that formula funding was allocated primarily based on semester credit hour production. Mr. Sandoval noted that the budget was based on a fall enrollment of 6,181. Mr. Bryant asked Dr. Lamb if he thought the steps the university was taking in revitalizing it recruiting and retention efforts would cause an enrollment increase in the fall. Dr. Lamb responded that it was likely too soon to see a positive effect and that the large impact should be seen in the fall of 2013. He added that the board should remember that the enrollment base was already down by 250 students and the university had two very large graduating classes this year.

Dr. Givens asked about Pell grants being included in the budget figures. He noted that grants are counted as income but student tuition and fee payments are again counted as revenue. He asked if the Pell funds were being double counted. Dr. Rogers responded

that the Pell funds are pass-through money and added that not all of the Pell funds come back to the university as they can be used for housing and other living expenses. Mr. Sandoval stated that the Pell grant funds are counted as restricted revenue and also as grant expense.

One of the slides in the presentation indicated that 42.7% of the university's budget comes from tuition and fees. Dr. Rogers noted that 80% of the university's revenue came from the state less than 20 years ago. Dr. Givens asked what percentage of tuition and fees was from Pell grants. Dr. Rogers responded that Pell grants were included in the pie chart as part of the Grants and Donor Fund Support amount.

Mr. Engelman stated that if a portion of the donor contributions could be put into an endowment fund, the fund might eventually provide greater support for the university. Dr. Rogers indicated that when he became president he attempted to encourage putting as much money as possible into endowments. He noted that the tough economic times had caused people to look at endowments differently. Dr. Farrell stated that the majority of gifts the university had received during the current year were directed to specific capital improvements or new programs. Dr. Rogers added that some of the donors within the last few years have made commitments of long-term funding rather than giving a major gift at one time.

The final slide of the presentation showed an analysis of selected reserves. Mr. Sandoval noted that certain designated reserves can only be used for specific purposes unless the board declared an emergency situation. Dr. Rogers commented that while a \$20 million fund balance looks good, much of that amount is designated for specific purposes. Mr. Sandoval stated that of the \$20 million fund balance, \$10 million is dedicated. He added that for a \$95 million budget, this amount of reserve was not adequate. Dr. Givens asked what amount would be adequate. Mr. Sandoval responded that 90 days of operating funds would be appropriate. Dr. Givens asked if that would be 25% of the budget and Mr. Sandoval answered in the affirmative. Mr. Hessing asked how many universities in Texas have that type of reserve. Mr. Sandoval indicated he did not know. Dr. Rogers stated that the presidents of the universities he has spoken with generally try to keep enough reserves to cover one to one and one-half months of operation. Ms. Maxwell noted that in the past Dr. Rogers had been asked during legislative testimony how many months of payroll the institution had reserves to cover. The general thought has been that funds to cover three months payroll should be adequate.

Mr. Sandoval mentioned that in the slide showing selected reserves, the working capital reserves of \$300,000 represented funds that were approved by the Board of Regents over twenty years ago and have never been used. Mr. Sanchez asked if these funds could be used for another purpose. Mr. Sandoval responded that the funds could be redesignated by the board. He added that the funds were originally established as repair and replacement funds and they could be combined with the other repair and replacement funds with board approval.

Mr. Sanchez noted that the Budget Highlights indicated a salary reduction of \$226,000 in benefit eligible positions. He asked how many positions were eliminated. Ms. Maxwell responded that this figure reflects changes in salaries through the hiring and rehiring on employees from September 1, 2011 to what is anticipated as of September 1, 2012. Mr. Sanchez asked for an analysis of reductions by college and administrative area. Mr. Sandoval responded that he would provide the information.

Dr. Givens stated that he supported the proposed budget but that he did not want to see budgets that anticipate continuing increases in tuition. He added that he did not think the environment was going to be attractive to continuing to increase student charges. Dr. Rogers indicated that while costs have increased, much of the challenge has been that costs have shifted from the states to the students. He added his agreement that the university could not continue compounding tuition and fees. He stated that the institution must find ways to lower the cost of delivering high quality education.

Mr. Bernhardt commented that the committee would go into executive session later in the meeting to discuss personnel.

Recess

The committee meeting recessed at 4:10 p.m. and reconvened at 5:54 p.m.

Executive Session

Mr. Hessing announced that the Board of Regents would go into closed session as allowed by the Texas Government Code Chapter 551, Section 551.074, Personnel Matters, to consider Items 12-154 (Tenure) and 12-138 (Operating Budget for Fiscal 2013). The closed session was properly announced at 5:54 p.m. Mr. Hessing, Mrs. Carnes, Dr. Givens, Mr. Sanchez, Mr. Engelman, Mrs. Burks, Mr. Bernhardt, Ms. Allsup, Dr. Rogers, Mr. Macha, Mr. Spencer, and Ms. Barrow remained for the discussion.

Open Meeting Resumes

The closed session ended at 6:35 p.m. with an announcement by Mr. Hessing that no action was taken during the Executive Session. The open meeting immediately resumed.

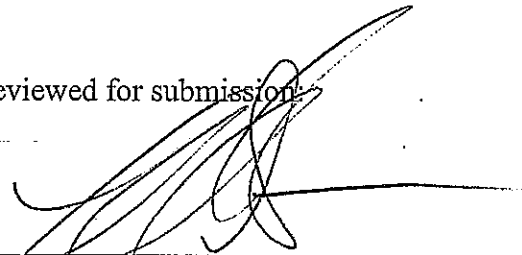
Operating Budget for Fiscal Year 2013

12-139. Mr. Bernhardt indicated that there was a previous motion and second to approve the budget as presented. There being no further discussion, the motion was approved.

Adjournment

The Finance Committee discussion concluded at 6:36 p.m.

Reviewed for submission



Michael Bernhardt, Chairman
Midwestern State University
Board of Regents Finance Committee

ATTACHMENTS:

1. Corrected Summary of Financial Support 9/1/11 - 7/15/12
2. Analysis of Redwine Fund Investments
3. Budget Highlights – FY 13
4. Summary of Budget Changes
5. Budget FY 13 – Power Point Presentation

**Summary of Financial Support
Midwestern State University, MSU Foundation
and MSU Charitable Trust**

	9/1/2011 10/18/2011	10/19/2011 1/19/2012	1/20/2012 4/16/2012	4/17/2012 7/15/2012	Total Year to Date
MSU University Development	\$598,120	\$620,027	\$5,790,932	\$905,894	\$7,914,973
Gifts in Kind			\$7,063	\$14,903	\$21,966
Contributions to MSU Endowments	\$1,305	\$131,873	\$760	\$2,250	\$136,188
Contributions to MSU Foundation	\$111,000	\$13,950	\$1,107,727	\$81,800	\$1,314,477
Hardin Foundation-Asset Transfer		\$324,624			\$324,624
President's Excellence Circle					
2010-2011	\$8,338	\$500	\$500	\$250	\$9,588
2011-2012	\$24,485	\$160,548	\$45,327	\$82,723	\$313,083
2012-2013				\$1,000	\$1,000
Wichita Falls Museum of Art	\$6,875	\$516,452	\$255,015	\$9,890	\$788,232
Contributed Art		\$22,000			\$22,000
Annual Fund	\$32,790	\$139,911	\$84,857	\$27,596	\$285,153
Phonathon Contributed Services			\$972	\$68	\$1,040
Alumni Association					
1,817 (2011-2012 membership)	\$5,505	\$4,165	\$460	\$505	\$10,635
(includes 581 lifetime members)	\$1,400	\$300	\$600	\$600	\$2,900
Mustangs Athletic Club					
Contributed Services	\$1,250				\$1,250
Cash	\$65,116	\$72,760	\$15,396	\$12,542	\$165,813
Corporate Sponsors - Athletics					
Contributed Services	\$190,850	\$2,500			\$193,350
Cash	\$45,850	\$20,588	\$9,750	\$3,800	\$79,988
Other Contributions - Athletics					
Contributed Services	\$4,000				\$4,000
Cash		\$45,690	\$3,290		\$48,980
Fantasy of Lights	\$28,550	\$40,157	\$15,300	\$5,880	\$89,887
Contributed Services		\$2,502			\$2,502
Scholarship Funds from Outside Sources	\$72,796	\$188,686	\$93,568	\$26,171	\$381,221
TOTAL	\$1,198,230	\$2,307,232	\$7,431,516	\$1,175,872	\$12,112,851

Unaudited
Midwestern State University
Redwine Investments
Cumulative through June 30, 2012

Finance Committee
August 9, 2012
Attachment 2 -- Page 2

	<u>J.P.Morgan Chase</u>	<u>Fisher Investments</u>	<u>Luther King Investments</u>	<u>Total</u>
Original Investment	3,097,215	3,097,215	3,097,215	9,291,645
Income (Interest, Dividends)	157,132	152,854	81,040	391,026
Net Realized Gains (Losses) on Sales	(9,893)	(6,572)	(124,591)	(141,056)
Management Fees	(27,767)	(54,115)	(27,598)	(109,480)
Safekeeping fees pd.		(6,067)	(6,248)	(12,315)
Net Income	119,472	86,100	(77,397)	128,175
Distributions to the University	(75,000)	(75,000)	(75,000)	(225,000)
Undistributed Income	44,472	11,100	(152,397)	(96,825)
Unrealized Appreciation (Depreciation)	(68,117)	54,808	293,140	279,831
Realizable Gain(Loss) if sold @ 6-30-12	(23,645)	65,908	140,743	183,006
Ending Market Value 6/30/12	3,073,570	3,163,123	3,237,958	9,474,651
Accruals	3,787	3,126	9,466	16,379
Market Value With Accruals	3,077,357	3,166,249	3,247,424	9,491,030
Scheduled Distribution in August 8/31/12	(91,667)	(91,667)	(91,666)	(275,000)
Adjusted Value Est. After Distribution	2,985,690	3,074,582	3,155,758	9,216,030

Midwestern State University
Budget Highlights
2012-2013

- The proposed MSU Operating Budget for FY 2013 is \$95,706,395, an increase of \$1.55 million over FY 2012.
- The budget is based on an estimated enrollment of 6,181 students for fall 2012. The projection is consistent with a reduction from last year, as the previous year was 6,400.
- The budget includes a one-time 2% retention payment for eligible faculty and staff.
- The budget reflects a net decrease of 5.41 full-time equivalent (FTE) positions and it includes 13.5 positions without an appropriated salary. These positions will not be filled during the fiscal 2013 budget year.
- Private sources and grant funds totaling \$554,914 provide funding for 9.08 full time equivalent positions, 4.77 faculty positions and 4.31 staff positions.
- Significant budget changes include:
 - Salary reductions of \$226,646 in benefit eligible positions.
 - Maintenance and operations reductions of \$50,437.
 - Travel reductions of \$54,185.
 - Scholarships increased by \$612,024.
 - Capital budgets increased \$195,213.
 - Fringe benefits total \$11.4 million, an increase of approximately \$241,000, (a 7.3% increase in group health insurance).
 - Transfers totaling \$255,000 to plant funds for renewal and replacement.
- The Higher Education Assistance Fund (HEAF) is constitutionally dedicated state funding for critical capital construction and equipment support. Together with our short-term capital master plan, the following distribution of HEAF funds is proposed:

Bond payment on Dillard Building	\$1,484,150
Physical Plant equipment and improvements – Deferred Maintenance	1,010,483
Master plan projects	470,000
Library materials	250,000
Allocation to six colleges for academic-related equipment	200,000
Computer lab equipment	50,000
Capital lease for fleet vehicles	30,000
Equipment for administrative offices and contingency	<u>64,800</u>
TOTAL	<u>\$3,559,433</u>

Midwestern State University

Budget Increase 2013 over 2012 --\$-- 1,550,000 *

Revenue Sources:

Tuition and Fee Increases	\$ 1,140,000
Increased Auxiliary Revenues (i.e. Housing)	175,000
Donor Support	<u>235,000</u>
Total Revenue Sources	<u>\$ 1,550,000</u>

* Top 3 expenditure items with largest impact on budget

1. One-time pay	\$ 665,915
2. Scholarship increase	612,024
3. Fringe benefits	<u>241,538</u>
	<u>\$ 1,519,477</u>

Midwestern State University Budget Highlights FY 2012 – 2013

By
Juan R. Sandoval
Vice President for Business Affairs & Finance
August 9, 2012

Educational and General Funds For Fiscal Year Ending August 31, 2013

General Revenue & State Benefits

General Revenue	\$ 16,619,208
State Paid Benefits	4,588,635

Other E&G Income – State Tuition/Lab Fees,

Investment Income, Etc.

Mandatory State Tuition	\$ 6,954,870
Other E&G Income	990,276

Local E&G Funds

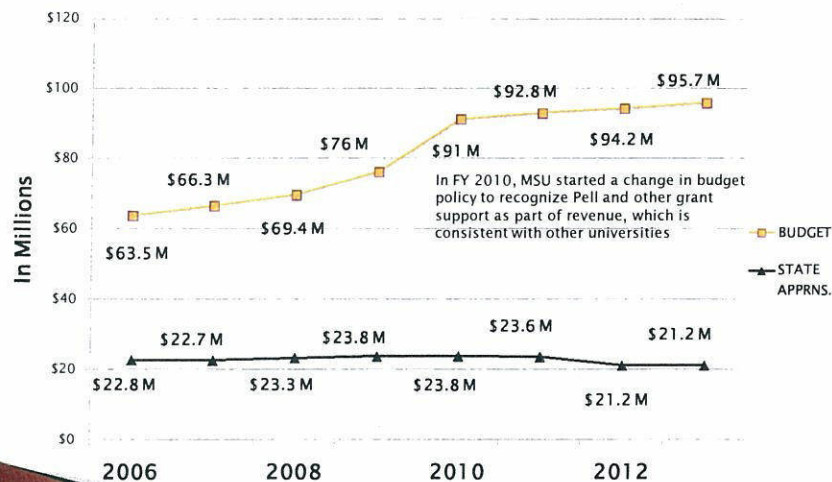
Energy Surcharge	\$ 1,850,000
Designated Tuition Contribution	150,000

Total	<u>\$31,152,989</u>
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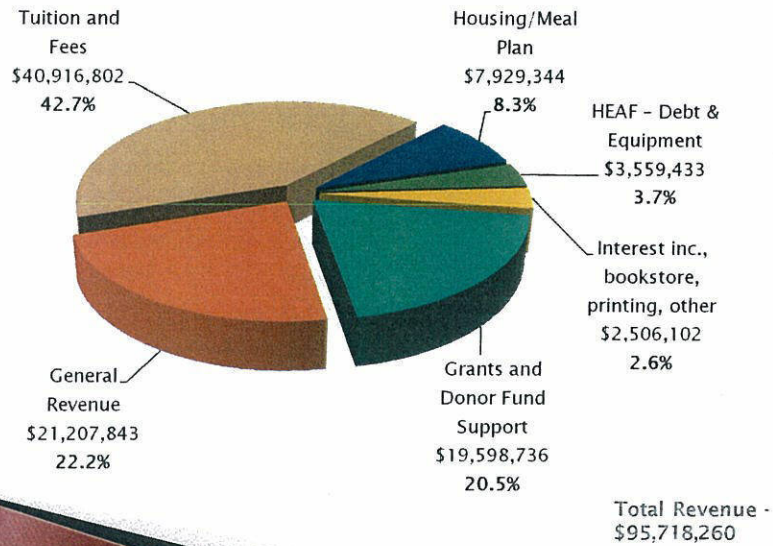
Ten-Year State Legislative Appropriations Comparison

	<u>General Revenue State Support</u>	<u>% of Total Budget</u>
FY 2004	\$ 20,853,180	36%
FY 2005	\$ 20,941,156	35%
FY 2006	\$ 22,800,253	34%
FY 2007	\$ 22,715,166	34%
FY 2008	\$ 23,331,145	34%
FY 2009	\$ 23,780,229	31%
FY 2010	\$ 23,832,099	26%
FY 2011	\$23,625,267	25%
FY 2012	\$21,226,129	22.5%
FY 2013	\$21,207,843	22.2%

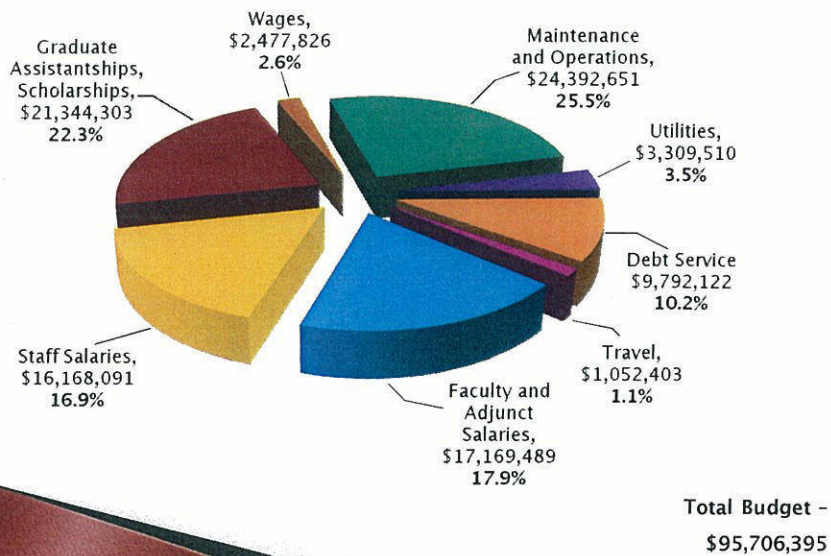
General Revenue to Total Budget



Sources of Revenue – FY 2013



Use of Funds – FY 2013



Analysis of MSU Fund Balances Projected for August 31, 2013

Education and General Funds	\$ 304,192
Designated Funds	11,932,059
Auxiliary Funds	1,610,240
Restricted Funds	1,989,410
Plant Funds (donor funds, reserves)	<u>4,929,692</u>
Total All Funds	<u>\$20,765,593</u>

Analysis of Selected Reserves Estimated at August 31, 2013

	<u>FY 2012</u>	<u>FY 2013</u>
Housing Reserves	\$1,034,136	\$1,184,136
Facilities Repair/Replace	275,917	325,917
Working Capital Reserves	<u>300,000</u>	<u>300,000</u>
Totals	<u>\$1,610,053</u>	<u>\$1,810,053</u>

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Audit, Compliance, and Management Review Committee
August 9, 2012**

The Audit, Compliance, and Management Review Committee of the Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 4:22 p.m., Thursday, August 9, 2012. Committee members in attendance were Mr. Sam Sanchez, Chairman; Mrs. Tiffany Burks; Mr. Charles Engelman; and Mr. Jeff Gregg. Other regents attending the meeting were Mr. Mike Bernhardt; Mrs. Jane Carnes; Dr. Lynwood Givens; Mr. Shawn Hessing, and Student Regent Holly Allsup.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Mr. Juan Sandoval, Vice President for Business Affairs and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Robert Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Mr. Kyle Owen, Associate Vice President for Facilities Services; Dr. Lynn Little, Dean, College of Science and Mathematics; Mr. Charlie Carr, Director of Athletics; Mr. David Spencer, Internal Auditor; Mr. Barry Macha, General Counsel; Dr. Jim Owen, Chairman of the MSU Faculty Senate; Ms. Jolene Welch, Chair of the MSU Staff Senate; Ms. Gail Ferguson, Controller; Ms. Valarie Maxwell, Director of Budget and Management; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the student body was Mr. Anthony Gallina, Student Government Association (SGA) president. Representing the news media was Mr. David Gonzalez, KFDX-TV III.

Chairman Sanchez called the meeting to order at 4:22 p.m.

Reading and Approval of Minutes

12-139. The minutes of the Audit, Compliance, and Management Review Committee meeting May 10, 2012, were approved as presented.

Report on Audit Activities

12-140. Mr. David Spencer, Internal Auditor, reported that much of his time during the last quarter was spent assisting the state auditors with routine processes. A Report on State Agency, University, and Community College District Compliance with the Public Funds Investment Act and Investment Reporting Requirements was released. This report is a review of internal audits conducted by each of the various state agencies every two years. MSU was found to be in substantial compliance with two minor issues noted and corrected. A review of MSU's financial and operational processes was also finalized. The university was found to have general control over these

processes and to have adequate controls to assure that the reporting of financial information is accurate, complete, reliable, and timely. The report also indicated that university assets were appropriately safeguarded. Several recommendations were made, including modifications to the university's purchasing and contracting processes. Mr. Spencer noted that the university's internal compliance reviews had already noted the need to further refine these processes.

Mr. Spencer reported that he had also assisted the State Auditor with a required financial aid audit. He stated that the remainder of his time had been spent conducting research related to the new contract review policy and the request from the Governor's Office of all state agencies to review policies in light of the situation at Pennsylvania State University and the Freeh Report. He added that as part of the Southern Association of Colleges and Schools (SACS) reaccreditation process the state would undertake an accreditation financial review early in 2013. Mr. Hessing asked if the focus of the SACS audit would be financial rather than procedural. Mr. Sandoval responded that it would be a financial review of the university as of August 31, 2012.

Mr. Sanchez noted that this item was presented as a point of information only.

Status of Construction Projects

12-141. Mr. Sanchez reported that during the May Board meeting the committee asked the administration to develop a report that would present a timeline of current major construction activities. The new report format was presented in the agenda document. Additionally, a construction update was presented regarding summer projects and other small projects (see Attachment 1). Mr. Sanchez asked if anyone had comments regarding the new report format or questions concerning the information provided.

Mr. Engelman asked for an update on the Ligon Coliseum project. Dr. Rogers responded that the project was complete with the exception of punch list items. Mr. Engelman asked that another column be added to the new report format indicating the percentage of completion of the projects.

This item was presented as a point of information only.

Review of Policies and Procedures Regarding Criminal Situations on Campus

12-142. Mr. Sanchez noted that each member of the board received a letter in July from Texas Governor Rick Perry regarding recent situations at Pennsylvania State University. In addition to reminding board members of their role and responsibilities as regents, the Governor asked regents throughout the state to look into the policies and procedures each state university has in place to address criminal situations of this nature. Boards were asked to report their findings to the Governor by August 31. A list of policies, procedures, protocols, and trainings were provided to each member of the board (see Attachment 2).

Mr. Macha indicated that he worked with the President's Office, Human Resources, the University Police Department, Student Affairs, and the overall administration to

assemble this list. He stated that he was very pleased with the policies and procedures in place at Midwestern State University.

Mrs. Burks asked if there was a university policy that made it mandatory for faculty or administrators to report to some entity if they become aware of misconduct on campus that is sexual in nature. Dr. Lamb responded that reporting is required through the Cleary Act. Mrs. Burks indicated that she would like to see the requirement as part of university policy.

Mrs. Carnes asked if there was a policy requiring faculty members to report aberrant behavior they might observe. Dr. Lamb indicated that while there is not a formal policy, the university has a Behavioral Intervention Team to which faculty or staff can refer students that exhibit such behavior.

Mr. Sanchez asked about training for campus personnel on their reporting requirements. Dr. Lamb noted that information is on the university's website and is sent through emails. He added that he was unaware of formal training. Dr. Owen commented that the Teaching Learning Resource Center had a seminar about the requirements during the last academic year. Mr. Sanchez asked if attendance at the seminar was mandatory and Dr. Owen responded that it was not. Mr. Sanchez suggested that consideration be given to requiring mandatory training for all employees. Dr. Rogers stated that mandatory training on sexual harassment is required for employees and that the training could be expanded to include these reporting requirements.

Mr. Sanchez noted that Ms. Barrow contacted the Governor's Office and was told that individual responses from each regent were not necessary and that a communication from the board chairman on behalf of the university board would be appropriate. Mr. Sanchez asked for a motion to authorize Mr. Hessing to forward the list of policies and procedures to the Governor on the board's behalf. Mr. Engelman made the motion and it was seconded by Mrs. Burks.

Mr. Hessing stated that he would like for the board to sign the letter as a group. He indicated that a draft would be available for review Friday morning and that a signature page would be printed so that each member's signature could be included.

The motion was approved.

Internal Audit Plan – 2012-2013

12-143. Mr. Sanchez noted that the Texas Internal Auditing Act requires each agency's governing board to approve an annual audit plan using risk assessment techniques. Mr. Spencer's proposed audit plan was included in the agenda document. Mr. Spencer indicated that the plan included continued development of compliance functions. He stated that he also planned to review the accounting system for assets at the Museum of Art at MSU and perform an audit of investments. He noted that he also allocated time to assist external oversight bodies and engage in special projects as required by the administration and the Board of Regents.

Mr. Gregg moved approval of the plan as presented. Mrs. Burks seconded the motion.

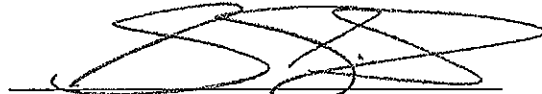
Mr. Gregg asked Mr. Spencer if he was able to perform extensive audits of randomly selected university departments. Mr. Spencer indicated that as the only employee in his department he had not been able to dedicate time for such audits. He added that he focuses his time on the most risky areas of the university operations.

There being no further discussion, the motion was approved.

Adjournment

The Audit, Compliance, and Management Review Committee discussion concluded at 4:44 p.m.

Reviewed for submission:

A handwritten signature in black ink, appearing to read 'Samuel M. Sanchez', written over a horizontal line.

Samuel M. Sanchez, Chairman
Midwestern State University
Board of Regents Audit, Compliance, and
Management Review Committee

ATTACHMENTS:

1. Construction Update
2. Policy and Procedure Review – Criminal Situations on Campus



3410 Taft Boulevard, Wichita Falls, Texas 76308-2099
Office: (940) 397-4648 Fax (940) 397-4859

Construction Projects Status Report – Item 12-141

Projects completed since May 2012 Board of Regents meeting include:

1. Akin Auditorium Renovations (\$151k).
2. Akin Auditorium Exterior Waterproofing, South Side (\$57k).
3. Sikes Lake Center Renovations (\$77k).
4. Comanche Suites Renovation (\$46k).
5. Clark Student Center Grease Trap Replacement (\$33k).
6. Reroofing of McCullough Hall, Paint Shop, Beyer Greenhouse (\$28k).
7. Carpet Replacement – Bolin Science Hall Rooms 102, 118, 212, 307, and 308 (\$27k).
8. Ferguson 301 Conversion to Four Offices (\$26k).

LIGON PHASE II: - \$6.7 MM

- Project substantially complete with minor punch list items remaining.
- Facilities Services performing minor additional items outside CMAR's scope of work.

TEEPEE DRIVE RECONSTRUCTION: - \$188k

- Green space creation between Clark Student Center and Killingsworth.
- Project on schedule for mid-August completion and within budget.

ATHLETIC FIELD LIGHTING: - \$346k

- Installation of lighting on the softball field and replacement of the lights at the soccer stadium.
- Project on schedule for late August completion and within budget.

ADDITIONAL PROJECTS <\$100K:

Projects in process scheduled for completion in the fall include:

- Athletic fields electrical equipment replacement (\$72k).
- Central Plant chill water makeup tank abatement and replacement (~\$60k).
- Reroofing of four soccer stadium buildings, tennis center (~\$47k).
- Central Plant diesel tank removal (~\$30k).
- Dillard 306 PC lab A/C improvements (~\$30k) during December break.

**Midwestern State University
Policy and Procedure Review
August 7, 2012**

The administration has surveyed its policies and procedures in response to the request by Governor Perry to review policies and procedures in place for criminal situations of the nature that occurred at Pennsylvania State University. The following items identify such policies, procedures, protocols, and training currently in place at Midwestern State University.

1. Policy 3.314 – Ethics Policy for Employees of Midwestern State University
http://personnel.mwsu.edu/policy/3.3-employee-policies/3.314-Employee_Ethics.asp
2. Policy 3.349 - Employee Background Checks
<http://personnel.mwsu.edu/policy/3.3-employee-policies/3.349-Employee-Background.asp>
3. Policy 4.152 – Police Department Administration and Regulatory Ordinances
<http://personnel.mwsu.edu/policy/4-general-university-policies/4.152-regulatory.asp>
4. Policy 4.161 – Sex Discrimination and Sexual Harassment
http://personnel.mwsu.edu/policy/4-general-university-policies/4.161-sexual_harrassment.asp
5. Policy 4.169 – Summer Camps
http://personnel.mwsu.edu/policy/4-general-university-policies/4.169-camps_conferences.asp

Legislation was approved in 2011 which established sexual abuse and child molestation training requirements for employees involved in activities for minors that are offered on the campus of institutions of higher education. Training for employees of summer camps offered on the MSU campus is required and provided on line -
<https://secure.mwsu.edu/personnel-training/Child-Protection/slideshow/>

Additionally, revisions to Policy 4.169 are in place and await formal approval by the University's Administrative Council:



Policy 4.169 camps
draft June 2012.doc

6. *Athletic Staff Code of Conduct and Ethics*



C1 COACHES AND
STAFF CODE OF CONDUCT

7. *MSU Student Handbook Standards of Conduct - Sexual Misconduct* (on page 79).
<http://students.mwsu.edu/studentaffairs/handbook.asp>

An updated statement is included in the August Board agenda for review and approval. This statement will ensure continued compliance with Title IX, including greater specificity of violations and University recourse.



BOR Handbook Policy
080612.pdf

8. *MSU Residence Life Handbook* (see p. 29 items #25 – Sexual Assault and #26 – Sexual harassment): <http://housing.mwsu.edu/pdf/residencehallhandbook.pdf>
9. Mandatory Sexual Harassment and Ethics Training for university employees -
<http://personnel.mwsu.edu/office/training/index.asp?LL=1669>
10. Crime Awareness and Campus Security Act – Clery Report
<http://police.mwsu.edu/awareness.asp?LL=495>
11. Anonymous Information Report to Police Department
<http://webforms.mwsu.edu/TakeSurvey.aspx?SurveyID=m2LJ452&LL=501>

12. MSU Police Department general order 7.46 (Sex Offender Registration/Protocol).



Sex Offender
Registration.docx

13. The MSU Police Department is a partner agency with Patsy's House, a local children's advocacy center. The center's protocols appear below:



Patsy's House
protocols.doc

14. MSU has an emergency alert system in place and the University's Police Department uses it in the case of criminal activity on or near the campus.

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Academic and Student Affairs Committee
August 9, 2012**

The Academic and Student Affairs Committee of the Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 4:44 p.m., Thursday, August 9, 2012. Academic and Student Affairs Committee members in attendance were Dr. Lynwood Givens, Chairman; Mrs. Tiffany Burks; and Mr. Sam Sanchez. Other regents attending the meeting were Mr. Mike Bernhardt, Mrs. Jane Carnes, Mr. Charles Engelman, Mr. Jeff Gregg, Mr. Shawn Hessing, and Student Regent Holly Allsup.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Mr. Juan Sandoval, Vice President for Business Affairs and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Robert Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Mr. Kyle Owen, Associate Vice President for Facilities Services; Dr. Lynn Little, Dean, College of Science and Mathematics; Mr. Charlie Carr, Director of Athletics; Mr. David Spencer, Internal Auditor; Mr. Barry Macha, General Counsel; Dr. Jim Owen, Chairman of the MSU Faculty Senate; Ms. Jolene Welch, Chair of the MSU Staff Senate; Ms. Dianne Weakley, Director of Human Resources; Ms. Gail Ferguson, Controller; Ms. Valarie Maxwell, Director of Budget and Management; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the student body was Mr. Anthony Gallina, Student Government Association (SGA) president. Representing the news media was Mr. David Gonzalez, KFDX-TV III.

Chairman Givens called the meeting to order at 4:44 p.m.

Reading and Approval of Minutes

12-144. The minutes of the Academic and Student Affairs Committee meeting May 10, 2012, were approved as presented.

Faculty Senate Report

12-145. Dr. James Owen, MSU Faculty Senate Chairman, presented information as shown in Attachment 1. He noted that there was little to report because the senate does not regularly meet during the summer months.

Staff Senate Report

12-146. Ms. Jolene Welch, Staff Senate Chair, reported that the senate held elections for the 2012-2013 year and indicated that this was the end of her term on the senate. She

reported that the new chairman would be Mr. Dirk Welch, Director of Career Services. She thanked the board for the opportunity to participate in the meetings. Dr. Rogers and Dr. Givens thanked Ms. Welch for her service to the university.

Student Government Report

12-147. Mr. Anthony Gallina, SGA president, reported that the new officers worked during the summer to develop ways to encourage students to be involved with various campus committees. He added that they are making an effort to involve a larger number of students in the process. Dr. Lamb commented that Anthony and the other officers had worked more during the summer getting ready for the new academic year than any other SGA he had worked with in the past.

Athletics Report

12-148. Mr. Charlie Carr, Director of Athletics, presented the following report on athletics activities.

- A. The lighting project for the softball and soccer fields is complete. Funds for the project were provided by the 4B Board through the City of Wichita Falls.
- B. The Baseball Study Committee has been formed and will begin looking at the possibilities for funding. Dr. Rogers noted that he hoped to have a financial analysis for the board in November.
- C. Lone Star Conference (LSC) Update - Incarnate Word and Abilene Christian have been talking with the Southland Conference and continue looking to move to Division I. Losing two schools would leave the LSC with nine schools and only seven football playing schools. Mr. Carr noted that it would become even more difficult to schedule games in the future. Dr. Rogers added that the LSC presidents met in June and discussed options in terms of substituting or replacing those members that might leave the conference. He noted that he was on the recruiting committee to talk with potential schools about joining the conference. He added that another possible solution was scheduling more Gulf South schools in the future. He stated that the problem with scheduling the Gulf South would be the need for additional travel money.
- D. The Ligon Coliseum project is complete with the exception of graphics, nameplates, and other small items. An open house and tour is scheduled for Thursday, October 18.

Dr. Farrell added a special invitation to the board to attend the MSU football game at Cowboy Stadium September 13.

Enrollment Reports – Summer 2012

12-149. The enrollment report for the summer was presented as shown in Attachment 2. Dr. Lamb stated that enrollment was down slightly in the summer and added that following an enrollment decline in the fall and spring and two very large graduating classes, a

decline in the summer was to be expected. He added that changes to the federal Pell grant program also likely affected summer enrollment. He explained that in 2012 students who received the maximum Pell amount in the fall and spring were not eligible to receive Pell funding in the summer. He indicated that additional changes in Pell would be forthcoming in the future. Mr. Bernhardt asked what percentage of MSU students receive Pell. Dr. Lamb responded that he would provide that information to the board. (NOTE: It was later reported that 35% of MSU students receive Pell).

August 2012 Graduating Class

12-150. The administration recommended approval of the list of candidates for August 2012 graduation as presented. Dr. Givens reported that 214 students were on the list compared with 241 in 2011. Dr. Stewart commented that this was a difference of 27 students and that 24 of the students were from the College of Health Sciences and Human Services in the nursing and radiologic science programs. She noted that the programs are cyclical in nature and this was one of the years with a smaller graduating class for these programs.

Mrs. Burks moved approval of this item as presented. Mr. Sanchez seconded the motion and it was approved.

MSU Student Handbook Changes

12-151. Changes to the *MSU Student Handbook* were recommended for approval as shown in the agenda document. Dr. Lamb commented on the recommended changes.

- A. General Student Complaints – the Southern Association of Colleges and Schools (SACS) requires universities to have a general student complaint policy and that was the impetus for developing this policy. The Dean of Students is the individual identified to shepherd students through the process.
- B. Sexual Misconduct Policy – the Office of Civil Rights (OCR) sent each institution of higher education a “Dear Colleague” letter last year regarding the university’s administration of Title IX programs and specifically sexual harassment, sexual assault, and sexual misconduct. The OCR was specific in outlining expectations and a complete rewrite of the current policy was required. Dr. Lamb stated that Mr. Macha was of great assistance in drafting the policy (see Attachment 3). He added that the Sexual Harassment Policy was also updated as part of the process.

Mr. Sanchez moved approval of these changes as presented. Mrs. Burks seconded the motion.

Mrs. Burks noted that the current policy mirrors the Texas Penal Code and the proposed policy has been broadened to encompass more sexual misconduct. Dr. Lamb responded that the OCR required specificity and that is why the changes were recommended. Dr. Givens asked when the new policy would go into effect. Dr. Lamb responded that the *Student Handbook* would be printed after the board meeting and the policy would go into effect for the fall 2012 semester. Mrs. Burks asked if sanctions

were specified in the *Handbook*. Dr. Lamb responded that they were and that sanctions range from a warning to expulsion.

There being no further discussion the motion was approved.

MSU Policies and Procedures Manual Changes

12-152. Changes to the *MSU Policies and Procedures Manual* were recommended for approval. Dr. Rogers commented on these items as presented.

- A. Policy 2.393, Staff Senate Purpose and Constitution – changes were recommended by the senate to clarify membership representation and expulsion criteria.
- B. Policy 3.131, Graduate Assistants and Graduate Teaching Assistants – changes were recommended to eliminate redundancies, simplify text, and specify duties of varying types of graduate assistantships.
- C. Policy 3.224, Absenteeism – changes were recommended to include Attendance – Staff Absenteeism & Tardiness. Ms. Weakley noted that the new attendance policy was intended to define expectations for staff attendance and to ensure consistency in the treatment of employees throughout the university. Mr. Sanchez asked what type of absence would be considered “unexcused.” Ms. Weakley responded that an absence would be unexcused if an employee left work without notice or did not notify his supervisor that he would not be at work.

Mrs. Burks moved approval of these policy changes as presented. Mr. Sanchez seconded the motion and it was approved.

Southern Association of Colleges and Schools (SACS) Update and Quality Enhancement Plan (QEP) and Strategic Plan Presentation

12-153. Dr. Givens stated that the campus had been working in preparation for the SACS reaffirmation of accreditation in 2013. He asked Dr. Clark to provide information about the timetable as well as the required QEP proposal and Strategic Plan. Dr. Clark reported that MSU was last reaffirmed by SACS in 2002 and was originally scheduled for reaffirmation in 2012. However, there were so many schools scheduled for reaffirmation in 2012, MSU was moved to 2013. Dr. Clark reviewed the Timeline for Reaffirmation of Accreditation as shown in Attachment 4. He indicated that the QEP committee is made up of 12 faculty members and two students. He added that the off-site peer review would be conducted at the SACS headquarters in Atlanta. He asked the board to make note of the April 8-11, 2013 dates for the on-site committee visit to the MSU campus.

Dr. Clark reviewed a summary sheet regarding the QEP (see Attachment 5). Dr. Clark noted that the QEP is a broad-based plan that must emerge from the campus community and must enhance student learning. He stated that the proposal the university would likely pursue would focus on undergraduate student research. He added that the on-site

committee would be asked to accept the university's QEP during their visit in April. Once the proposal is accepted, the university will assemble another committee to oversee the establishment of the QEP on campus. The university will be required to report progress to SACS after five years.

Dr. Clark reported that Dr. White worked on the development of a new Strategic Plan during the 2011-2012 academic year (see Attachment 6). He pointed out the six priority goals identified and presented on pages 11 and 12 of the document. He indicated that the next step in the planning process would be to determine strategies and action items to address the goals.

Dr. Givens noted that the administration had recommended approval of the QEP topic proposal and the Strategic Plan priority goals. Mr. Sanchez moved approval of these items as presented. Mrs. Burks seconded the motion. Dr. Rogers expressed his strong endorsement of these items.

Dr. Givens asked how the university is graded by SACS. Dr. Clark responded that the grade is similar to a pass/fail evaluation. Dr. Givens asked how the administration would determine the cost and value of the QEP. Dr. Rogers reported that the QEP would include a budget that the university would have to commit to funding.

Mr. Hessing asked that a SACS update be presented at each of the next two board meetings.

There being no further discussion the motion carried.

Tenure

12-154. Dr. Givens asked Dr. Rogers to provide information regarding the hiring of academic administrators with faculty tenure. Dr. Rogers noted that the university has a policy that allows for the hiring of department heads, deans, and vice presidents with faculty tenure. The individuals being considered must be thoroughly reviewed in accordance with this policy.

Recess

The board meeting recessed at 5:45 p.m.

Executive Session

Mr. Hessing announced that the Board of Regents would go into closed session as allowed by the Texas Government Code Chapter 551, Section 551.074, Personnel Matters, to consider Items 12-154 (Tenure) and 12-138 (Operating Budget for Fiscal 2013). The closed session was properly announced at 5:54 p.m. Mr. Hessing, Mr. Bernhardt, Mrs. Burks, Mrs. Carnes, Mr. Engelman, Dr. Givens, Mr. Sanchez, Ms. Allsup, Dr. Rogers, Mr. Macha, Mr. Spencer, and Ms. Barrow remained for the discussion.

Open Meeting Resumes

The closed session ended at 6:35 p.m. with an announcement by Mr. Hessing that no action was taken during the Executive Session. The open meeting of the Academic and Student Affairs Committee resumed at 6:36 p.m.

Tenure

12-154. Mrs. Burks moved approval of awarding tenure to the following academic administrators:

Ann Marie Leimer, Ph.D.	Art
Lynn Little, Ph.D.	Biology
Betty Stewart, Ph.D.	Chemistry

Mr. Sanchez seconded the motion and it was approved.

Adjournment

There being no further business, the Academic and Student Affairs Committee discussion concluded at 6:37 p.m.

Reviewed for submission:



F. Lynwood Givens, Chairman

Midwestern State University

Board of Regents Academic & Student Affairs Committee

ATTACHMENTS:

1. Faculty Senate Report
2. Enrollment – Summer I and II 2012
3. *Student Handbook* Changes – Sexual Misconduct, Sexual Harassment, Sex/Gender Discrimination Policy
4. SACS Timeline for Reaffirmation of Accreditation
5. QEP Information
6. Strategic Plan Priority Goals 2012



Midwestern State University Faculty Senate Summary

09 AUG 12 Board of Regents Report

The MSU Faculty Senate has not met since the summary dated 10 MAY 12. The new Senate will convene for its first meeting on 23 AUG 12. No business remains unfinished from the 2011 – 2012 academic year.

Since the conclusion of the spring term, the Faculty Senate has recommended faculty members to participate on the screening committee to review credentials from applicants for the VP Finance position. Representatives from the MSU Student Government and Faculty Senate met with each of the Provost candidates who came to campus for interviews. One Senator, Brandon Smith, from Fain Fine Arts College, has moved to another university. A college election will select his replacement when the fall term begins.

Scheduled meeting dates for the Faculty Senate during the 2012 – 2013 academic year are:

Date	Start	End	Room
8/23/2012 Thu	3:00 PM	5:00 PM	Dillard 189
9/13/2012 Thu	3:00 PM	5:00 PM	CSC 162 Kiowa
10/11/2012 Thu	3:00 PM	5:00 PM	CSC 162 Kiowa
11/08/2012 Thu	3:00 PM	5:00 PM	Dillard 189
12/06/2012 Thu	3:00 PM	5:00 PM	Dillard 189
1/10/2013 Thu	3:00 PM	5:00 PM	CSC 162 Kiowa
2/14/2013 Thu	3:00 PM	5:00 PM	CSC 162 Kiowa
3/07/2013 Thu	3:00 PM	5:00 PM	CSC 162 Kiowa
4/11/2013 Thu	3:00 PM	5:00 PM	CSC 162 Kiowa
5/02/2013 Thu	3:00 PM	5:00 PM	Dillard 189

A copy of the 2012 – 2013 Faculty Senate roster appears on the reverse side of this report.

Respectfully,

Jim Owen, Chair
Midwestern State University Faculty Senate

*MSU Faculty Senate Roster
2012 - 2013 Term*

Senator		<i>Term Ends</i>
<i>College of Math & Science</i>		
Azouz	Idir	2013
Griffin	Terry	2013
McDonald	Dale	2014
McDonald	Terry	2014
Scales	Jon	2014
<i>College of Health & Human Services</i>		
Bowles	Betty	2013
DeBois	Barbara	2014
Fidelie	Laura	2013
* Morrison	Gary	2014
Paddock	Ted	2013
* Roberts	Kathy	2014
Wilbanks	Jammie	2014
<i>Dillard College of Business Administration</i>		
* Bultena	Charles	2014
* Owen	Jim	2014
Patin	Roy	2013
<i>Fain College of Fine Arts</i>		
Harvey	Susan	2014
Morrow	Ruth	2014
To be elected		2013
<i>Prothro - Yeager College of Humanities & Social Sciences</i>		
Duff	Jeremy	2014
Jun	Nathan	2014
LaBeff	Emily	2013
* McClintock	Stuart	2013
Stiles	Beverly	2013
<i>West College of Education</i>		
Suzanne	Lindt	2014
Wood	Julie	2013

* = Executive Committee Member

(Names printed in **BOLD** are newly elected
Senators)

Enrollment Reports

Summer I 2012

	2011	2012
New First-Time Freshmen	10	8
Freshmen	135	90
Sophomore	351	306
Junior	524	483
Senior	1,046	958
Graduate/Post-Baccalaureate	<u>404</u>	<u>412</u>
TOTAL	2,470	2,257

Summer II 2012

	2011	2012
New First-Time Freshmen	14	14
Freshmen	96	74
Sophomore	246	237
Junior	373	370
Senior	781	711
Graduate/Post-Baccalaureate	<u>203</u>	<u>174</u>
TOTAL	1,713	1,580

MSU Student Handbook Proposed Changes

I. Standards of Conduct – replace sections 25 and 26 with a new section 25 as shown below.

25. Sexual Assault: Sexual Assault is defined as a stranger or acquaintance who commits sexual assault through forcible sodomy, forcible sexual penetration, however slight, of another person's mouth, anal or genital opening with any object. These acts must be committed without the victim's consent either by force, threat of force or violence, intimidation or through the use of the victim's mental or physical helplessness. Sexual assault also includes the touching of an unwilling person's intimate parts (defined as genitalia, groin, breast or breasts, or buttocks or clothing covering them) or forcing an unwilling person to touch another's intimate parts. These acts must be committed either by force, threat, intimidation or through the use of the victim's mental or physical helplessness.

26. Sexual Harassment: Sexual harassment includes but is not limited to unsolicited, deliberate, or repeated sexual flirtations, advances or propositions, display of sexually suggestive pictures or objects, and/or offensive or abusive physical contact of a sexual nature. Unwelcome sexual advances, requests for sexual favors, and other verbal or physical contact of a sexual nature will be a violation of university policy and will constitute sexual harassment when:

a. Submission to such conduct is made explicitly or implicitly a term or condition of an individual's employment or education.

b. Submission to or rejection of such conduct by an individual is used as a basis for academic or employment decisions affecting that individual.

c. Such conduct has the purpose or effect of substantially interfering with an individual's academic or professional performance or creating an intimidating, hostile, or offensive employment, educational, or living environment. This article is consistent with the institutional policy on sexual harassment (MSU Policies and Procedures Manual 4.161).

25. Sexual Misconduct

Midwestern State University maintains a policy of zero tolerance for sexual misconduct regardless of the sexual orientation or gender identity of individuals engaging in sexual activity. Members of the University community, guests and visitors have the right to be free from sexual violence. When an allegation of sexual misconduct is brought to the administration, and an accused student/respondent is found to have violated this policy, serious sanctions will be imposed to ensure that such actions are never repeated. All members of the University community are expected to conduct themselves in a manner that does not infringe upon the rights of others. The Midwestern State University sexual misconduct policy has been developed to reaffirm these principles and to provide recourse for those individuals whose rights have been violated. This policy has dual purposes; it serves as a measure to determine, after-the-fact, if behaviors trespassed on community values, and serve as a guide for students on the expectations Midwestern State University has, preventatively, for sexual communication, responsibility and respect.

While the policy below is detailed and specific, the expectations of this community can be summarized in this simple statement: Consent is clear sexual permission and can only be given by one of legal age.

Finally, there is a difference between seduction and coercion; coercion is defined in this policy as unreasonably pressuring another person for sex. Coercing someone into engaging in sexual activity violates this policy in the same way as physically forcing someone into engaging in sexual activity.

A. Violations of the University Sexual Misconduct Policy

Sexual misconduct is a serious offense and such violations are subject to any combination of conduct sanctions deemed appropriate (as described on p. 80) with individuals found responsible for violation of the nonconsensual sexual intercourse policy facing a recommended sanction of University suspension or University expulsion. A partial list of Midwestern State University sexual conduct policy violations is listed below.

- a) *Sexual Harassment*: Gender-based verbal or physical conduct that has the effect of unreasonably interfering with an individual's work or academic performance or creates an intimidating, hostile or offensive working or educational environment. There are two types of sexual harassment:
 1. *Hostile Environment* includes situations in which there is harassing conduct that is sufficiently severe, pervasive/persistent and objectively offensive so that it alters the conditions of education or employment, from both a subjective (the alleged victim's) and objective (a reasonable person's) viewpoint. The determination of whether an environment is "hostile" must be based on all the circumstances. These circumstances could include, but are not limited to:
 - The frequency of the speech or conduct;
 - The nature and severity of the speech or conduct;
 - Whether the conduct was physically threatening;
 - Whether the speech or conduct was humiliating;
 - The effect of the speech or conduct on the alleged victim's mental and/or emotional state;
 - Whether the speech or conduct was directed at more than one person;
 - Whether the speech or conduct arose in the context of other discriminatory conduct;
 - Whether the speech or conduct unreasonably interfered with the alleged victim's educational or work performance;

- Whether a statement is a mere utterance of an epithet which engenders offense in an employee or a student or offends by mere discourtesy or rudeness; and/or
 - Whether the speech or conduct deserves the protections of academic freedom.
2. Quid Pro Quo sexual harassment exists when there are unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature where submission to, or rejection of, such conduct results in educational or employment action.
- b) Nonconsensual Sexual Intercourse (or attempts to commit the same):
- Any sexual intercourse,
 - however slight,
 - with any object,
 - by a person upon another person,
 - without consent and/or by physical force
- c) Nonconsensual Sexual Contact (or attempts to commit the same):
- Any intentional sexual touching,
 - however slight,
 - with any object,
 - by person upon another person,
 - without consent and/or by physical force
- d) Sexual Exploitation: Taking nonconsensual or abusive sexual advantage of another for one's own advantage or benefit, or to benefit a person other than the one being exploited. Examples of sexual exploitation include, but are not limited to:
1. Prostituting another student;
 2. Non-consensual video or audio recording of sexual activity;
 3. Exceeding the boundaries of explicit consent, such as allowing friends to hide in a closet to be witness to one's consensual sexual activity;
 4. Engaging in voyeurism (Peeping Tommerly); and/or
 5. Knowingly transmitting a sexually transmitted disease/infection or HIV to another student.
- e) Retaliation exists when an individual harasses, intimidates or takes other adverse actions against a person because of the person's participation in an investigation of discrimination or sexual misconduct or their support of someone involved in

an investigation of discrimination or sexual misconduct. Retaliatory actions include, but are not limited to, threats or actual violence against the person or their property, adverse educational or employment consequences, ridicule, intimidation, bullying, or ostracism. The University will impose sanctions on any faculty, student or staff member found to be engaging in retaliation.

B. Confidentiality and Reporting Sexual Misconduct

University officials, depending on their roles at the University, have varying reporting responsibilities and abilities to maintain confidentiality. In order to make informed choices, one should be aware of confidentiality and mandatory reporting requirements when consulting campus resources. On campus, some resources may maintain confidentiality, offering options and advice without any obligation to inform an outside agency or individual unless you have requested information to be shared. Other resources exist for you to report crimes and policy violations and these resources will take action when you report victimization to them. Most resources on campus fall in the middle of these two extremes; neither the University nor the law requires them to divulge private information that is shared with them, except in the rare circumstances. The following describes the three reporting options at Midwestern State University:

- a. *Confidential Reporting:* If you would like the details of an incident to be kept confidential, you may speak with on-campus counselors, campus health service providers, off-campus rape crisis resources, or off-campus members of the clergy/chaplains who will maintain confidentiality. Campus counselors are available to help you free of charge and can be seen on an emergency basis during normal business hours.
- b. *Private Reporting:* You may seek advice from certain resources who are not required to tell anyone else your private, personally identifiable information unless there is cause for fear for your safety, or the safety of others. These resources include employees without supervisory responsibility or remedial authority to address sexual misconduct, such as resident advisors (RAs), faculty members, advisors to student organizations, career services staff, admissions officers, student activities personnel, and many others. If you are unsure of someone's duties and ability to maintain your privacy, ask them before you talk to them. They will be able to tell you and can help you make decisions about who can help you best. Some of these resources, such as RAs, are instructed to share incident reports with their supervisors, but they do not share any personally identifiable information about your report unless you give permission, except in the rare event that the incident reveals a need to protect you or other members of the community. If your personally identifiable information is shared, it will be shared with as few people as possible and all efforts will be made to protect your privacy to the greatest extent.
- c. *Formal Reporting Options:* You are encouraged to speak to University officials, such as the Title IX Coordinator, Dean of Students, Campus Police, or Deans to make formal reports of incidents of sexual misconduct. You have the right, and

can expect, to have incidents of sexual misconduct taken seriously by the University when formally reported, and to have those incidents investigated and properly resolved through administrative procedures. Formal reporting still affords privacy to the reporter, and only a small group of officials who need to know will be told. Information will be shared as necessary with investigators, witnesses, and the accused student/respondent. The circle of people with this knowledge will be kept as tight as possible to preserve your rights and privacy.

Texas law has established procedures for the confidentiality of identifying information of victims of sex offenses. Article 57.02 of the Texas Code of Criminal Procedure provides that a victim of a sexual offense (described in Chapter 62 of the Code) may choose a pseudonym to be used instead of the victim's name to designate the victim in all public files and records concerning the offense, including police summary reports, press releases, and records of judicial proceedings. A victim who elects to use a pseudonym must complete a pseudonym form and return the form to the law enforcement agency investigating the offense. A victim who completes and returns a pseudonym form to the law enforcement agency investigating the offense may not be required to disclose the victim's name, address, and telephone number in connection with the investigation or prosecution of the offense.

Midwestern State University's Police Department is a partner agency with Patsy's House, a local children's advocacy center. A children's advocacy center provides a safe, child-friendly environment where law enforcement, child protective services, prosecution, medical and mental health professionals may share information and develop effective, coordinated strategies sensitive to the needs of each unique case and child. Sex offenses involving a victim under the age of 18 may be referred to Patsy's House.

C. Federal Timely Warning Obligations

Victims of sexual misconduct should be aware that University administrators must issue timely warnings for incidents reported to them that pose a substantial threat of bodily harm or danger to members of the campus community (The Clery Act, 20 U.S.C. 1092(f)). The University will make every effort to ensure that a victim's name and other identifying information is not disclosed, while still providing enough information for community members to make safety decisions in light of the danger.

D. Texas Penal Code

a. Section 38.17: Failure to Stop or Report Aggravated Sexual Assault of a Child

A person who does not have a legal or statutory duty to act or who has not assumed care, custody, or control of a child (younger than 14 years of age), commits an offense (Class A misdemeanor) if the person observes the commission or attempted commission of an offense prohibited by Section 21.02 (Continuous Sexual Abuse of a Young Child or Children) or Section 22.021 (a)(2)(b) (Aggravated Sexual Assault of a Victim Younger than 14 Years of Age) under circumstances in which a reasonable person would believe that an offense of a sexual or assaultive nature was being committed or was about to be committed against the child; the person fails to assist the child or immediately

report the commission of the offense to a peace officer or law enforcement agency; and the person could assist the child or immediately report the commission of the offense without placing himself or herself in danger of serious bodily injury or death.

b. Section 38.171 (Failure to Report Felony)

A person commits an offense (Class A misdemeanor) if the person observes the commission of a felony under circumstances in which a reasonable person would believe that an offense had been committed in which serious bodily injury or death may have resulted; and fails to immediately report the offense to a peace officer or law enforcement agency when a reasonable person would believe that the offense had not been reported and the person could immediately report the offense without placing himself or herself in danger of suffering serious bodily injury or death.

E. Texas Family Code Reporting Requirements

Section 261.101(a) of the Texas Family Code requires “any person having cause to believe that a child’s [under 18 years of age] physical or mental health or welfare has been adversely effected by abuse or neglect to immediately make a report” to law enforcement. The penalty for failing to make the report is a Class A misdemeanor; a state jail felony in certain situations if the victim is mentally retarded). This law also provides that protection for those who, in good faith, report or assist in the investigation of alleged or known abuse or neglect (Section 261.106). The immunity provided by law includes both civil and criminal liability.

II. Sexual Harassment Policy – replace the current policy with a new Sex/Gender Discrimination Policy.

Sexual Harassment Policy

It is the policy of Midwestern State University that no member of the university community may sexually harass another. Harassment on the basis of sex is a violation of Title IX of the Education Amendments Act of 1972 and the Title VII of the Civil Rights Act of 1964. Any faculty member, staff member, or student will be subject to disciplinary action for violation of this policy.

Definition

Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitutes sexual harassment when:

1. Submission to such conduct is made either explicitly or implicitly a term or condition of an individual’s employment or education, or
2. Submission to or rejection of such conduct by an individual is used as a basis for academic or employment decisions affecting that individual, or

3. — Such conduct has the purpose or effect of substantially interfering with an individual's academic or professional performance or creating an intimidating, hostile, or offensive employment, educational or living environment.

Complaint Procedure

Any member of the MSU community (faculty, staff, or student) having a complaint of sexual harassment should notify her or his immediate supervisor. If the complaint is against the immediate supervisor, the complainant should contact the next higher administrative level. The immediate supervisor for an employee is the university official to whom the employee reports. The immediate supervisor for a student is the program coordinator or dean of the college for academic issues, and the Dean of Students for non-academic issues. The complaint should be filed within ten calendar days of knowledge of the alleged conduct. The complaint may be taken through the formal process should the conference with the immediate supervisor fail to satisfy the employee or student.

Cases involving sexual harassment will be considered sensitive, and special attention to issues of confidentiality will be given. Dissemination of information relating to the case will be limited, in order that the privacy of individuals involved is safeguarded as fully as possible. Every effort will be made to protect the complainant from retaliatory action by whoever is named in the complaint.

Formal Disposition of Complaint

The complainant will send a written complaint within ten days of the conclusion of the conference with the immediate supervisor to the University President requesting a formal hearing. The written complaint must describe the alleged violation. Within ten days of the date filed, a hearing will be set.

The President of the University shall appoint an ad hoc committee to hear the complaint and render a decision. The hearing committee shall consist of four persons and a vice president who will serve as chairman. The four persons shall consist of two persons from each classification (faculty, staff, or student) of the principals involved. Each principal involved shall have one preemptive challenge.

The complainant and all affected parties shall receive a written notice of the date, time, and place of hearing. The notice to the immediate supervisor shall also include a copy of the written complaint filed with the President of the University. A copy of the written complaint will be furnished to the hearing committee when it convenes.

All formal hearings shall be closed to the public except upon compliance with the Open Meetings Law, Texas Government Code, Chapter 551. The vice president shall preside and conduct the business of the hearing. The principals shall have the opportunity to present their case.

Upon completion of the hearing, the chairman shall, within ten days, submit a written report of the committee's findings and recommendations to both parties and to the President of the University.

Acceptance of Hearing Committee's Report

If the President of the University accepts the committee's report, the committee's decisions become final and the president is charged with overseeing the implementation of any and all recommendations contained in the report. If the President of the University does not

accept the committee's report, he shall, within five days, inform both parties in writing of the objections to the report and of his final decision in the case.

Right of Appeal

If either party is not satisfied with the disposition of the complaint, he or she may appeal to the Board of Regents through the President of the University. The request for appeal to the Board of Regents must be filed, in writing, with the President of the University within ten days after the president has rendered his decision and notified the affected parties.

The chairman of the Board of Regents will set a date for review of the grievance and notify the President of the University. The disposition made by the Board of Regents will be final, and notification to the complainant will be made by the chairman through the President of the University.

Sex/Gender Discrimination Policy

Midwestern State University is committed to complying with all requirements as set forth by Title IX of the Education Amendments of 1972 ("Title IX"). As such, discrimination on the basis of sex or gender will not be tolerated in any of MSU's education programs or activities. Such discrimination includes, but is not limited to: sexual harassment; sexual violence; sex or gender-based bullying; hazing; stalking; relationship violence, and failure to provide equal opportunity in admissions, activities, employment or athletics.

The Midwestern State University Title IX Coordinator will be informed of, and oversee, all complaints of sex discrimination and is responsible for identifying and addressing any patterns or systemic problems that arise during the review of such complaints. Questions or concerns regarding Midwestern State University and Title IX may be directed to one or more of the following resources:

Midwestern State Title IX Coordinator
Associate Vice President for Student Affairs
Phone: (940) 397-7500

United States Department of Education:
Office for Civil Rights
Phone: (800) 421-3481
Email: ocr@ed.gov

Midwestern State University will make every effort to successfully complete the grievance process for complaints of sex discrimination over a period of 60 days or less. All parties involved are entitled to periodic status updates on the progress of the complaint and any subsequent appeals.

During the investigation and/or grievance process for complaints of sex discrimination, the University may take a number of interim actions in order to ensure the preservation of a complainant's school experience and the overall university environment. These actions may include, but are not limited to: issuance of University no contact order on the accused individual; residence hall room change for one or more involved parties; changes in

academic schedules or assignments for one or both parties and interim suspension of the accused student/respondent.

To read more about Title IX of the Education Amendment of 1972, please visit:
<http://www.dol.gov/oasam/regs/statutes/titleix.htm>.

**Timeline for MSU Reaffirmation of Accreditation
Southern Association of Colleges and Schools (SACS)
Commission on Colleges**

- September 10, 2012 – Compliance Certification due to SACS
- Fall, 2012 - Quality Enhancement Program (QEP) Proposal Committee continues working on final draft of QEP Proposal
- November 6-9, 2012 – Off-Site Peer Review conducted
- November-December, 2012 – university receives Off-Site Peer Review Report
- January, 2013 - QEP Proposal finalized
- January-February, 2013 – university prepares Focused Report to respond to issues raised in Off-Site Peer Review Report.
- February-March, 2013 – university submits Focused Report and QEP Proposal to SACS and the On-Site Committee
- April 8-11, 2013 - On-Site Committee visits MSU Campus
- December, 2013 - decision on reaffirmation released at SACS Annual Meeting

Quality Enhancement Plan (QEP) Topic Proposal

As part of the Southern Association of Colleges and Schools (SACS) accreditation process, a Quality Enhancement Plan (QEP) is required. A QEP is a course of action for institutional improvement that addresses one or more issues contributing to quality enhancement of student learning.

In the spring and fall of 2011, a QEP Topic Selection Committee, led by Dr. Sam Watson, Dean of the Prothro-Yeager College of Humanities and Social Sciences, with members representative of the MSU campus, organized the process of choosing a topic for a QEP. The topics chosen for initial consideration were based on responses from a web survey administered to faculty, staff, students, and alumni regarding topic interest. Finally, the campus community was asked to choose from three topic possibilities or suggest a new topic for consideration. Though there was not a majority vote on any one of the proposed topics or new suggestions, the committee recommended a Student Forum as the topic of choice.

In discussions that followed, it was suggested that the idea of the student forum be tied to undergraduate student research. In so doing, undergraduate student research would be brought to the forefront on the MSU campus using the forum concept as a way of giving students a platform for presenting their work. This would also tie in with the emphasis being placed on undergraduate student research by The Council of Public Liberal Arts Colleges (COPLAC) and provide possibilities for publication through the COPLAC online undergraduate research journal, *Metamorphosis*.

The administration requests board approval of this proposed QEP topic. Once approved, a QEP Proposal Committee will work on the full proposal to be submitted to SACS in the spring 2013.

Strategic Plan

The purpose of the strategic plan is to provide a framework to address the challenges facing MSU in the future, with an eye to the long-term sustainability of the university.

The planning process involved gathering input from members of the MSU community about the issues that may affect MSU in the future, as well as the goals that should be MSU's highest priorities. In addition, the internal strengths and weaknesses of MSU, and the factors in the external operating environment that may affect MSU in the future, were examined. The information was synthesized and six high-priority goals were identified based on a ranking process involving members of the MSU community.

PRIORITY GOALS

Based on the critical issues and input from MSU community members, six high-priority goals were identified. These goals will serve as the basis for MSU's direction in the future.

- Strengthen the extent to which MSU's mission and vision are effectively conveyed both within and outside of the organization, and serve as the basis for decisions.
- Establish and implement processes for effective faculty recruitment and retention to ensure the highest quality faculty.
- Increase the quality of education provided to students to ensure they have essential competencies to contribute to society, embark on or advance in chosen careers, and engage in lifelong learning.
- Acquire and incorporate technology (equipment, software, processes, etc.) that enhances educational quality and operational effectiveness.
- Increase the number and quality of students admitted to and retained in graduate and undergraduate programs.
- Expand and diversify university resources.

The planning process is ongoing and the next phase is to develop an implementation plan. This plan will include the development of tactics to achieve the strategic goals, allocation of resources for priority initiatives, establishment of accountability systems for oversight, and ongoing review and updates of the plan.

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

August 9, 2012

The Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 1:30 p.m., Thursday, August 9, 2012. Regents in attendance were Mr. Shawn Hessing, Chairman; Mr. Kenny Bryant, Secretary; Mr. Mike Bernhardt; Mrs. Tiffany Burks; Mrs. Jane Carnes; Mr. Charles Engelman; Dr. Lynwood Givens; Mr. Jeff Gregg; Mr. Sam Sanchez; and Student Regent Holly Allsup.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Mr. Juan Sandoval, Vice President for Business Affairs and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Robert Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Mr. Kyle Owen, Associate Vice President for Facilities Services; Dr. Pam Morgan, Associate Vice President for Outreach and Engagement; Dr. Lynn Little, Dean, College of Science and Mathematics; Mr. Charlie Carr, Director of Athletics; Mr. David Spencer, Internal Auditor; Mr. Barry Macha, General Counsel; Ms. Dianne Weakley, Director of Human Resources; Dr. Jim Owen, Chairman of the MSU Faculty Senate; Ms. Jolene Welch, Chair of the MSU Staff Senate; Ms. Gail Ferguson, Controller; Ms. Valarie Maxwell, Director of Budget and Management; Mr. Steve Shelley, Director of Purchasing; Mr. Mike Dye, Chief Information Officer; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the student body was Mr. Anthony Gallina, Student Government Association (SGA) president. Representing the news media were Ms. Brittany Cottingham and Ms. Hannah Hoffman, co-editors of *The Wichitan*; Ms. Ann Work, *Times Record News*; Mr. David Gonzalez, KFDX-TV III; and Ms. Bethany Rumble, KAUZ-TV.

Chairman Hessing called the meeting to order at 1:33 p.m. and Ms. Gaynor introduced the guests.

Opening Comments

Mr. Hessing asked Dr. Rogers to make special introductions and comments. Dr. Rogers welcomed Dr. Betty Stewart, new Provost and Vice President for Academic Affairs. He noted that Dr. Stewart previously served with distinction as Dean of the MSU College of Science and Math and most recently served as Provost at Eckerd College in Florida. Dr. Stewart earned her bachelor's degree in biochemistry from Mississippi State University and her Ph.D. from Carnegie Mellon University.

Dr. Rogers then introduced Dr. Lynn Little, Dean of the College of Science and Mathematics and Professor of Biology. He noted that from 1990 until 2008 Dr. Little served as professor and chairman of the Department of Laboratory Sciences at the University of Texas Southwestern

Medical School. He then moved to Howard Payne University as Dean of the College of Science and Mathematics. Dr. Little earned his bachelor's degree in biology from the University of Texas at Arlington, a master's degree in biology from the University of North Texas, a Master of Business Administration from the University of Texas at Dallas, a Master of Public Health from the University of Texas School of Public Health, and a doctorate of microbiology from the University of Texas Southwestern Medical School.

Dr. Rogers also welcomed Holly Allsup, new Student Regent from Wichita Falls. He noted that Holly is a senior marketing major at MSU. She will graduate with her bachelor's degree in August and will begin the MBA program in the fall.

Dr. Rogers noted that Mr. Juan Sandoval was retiring as of August 31. He thanked Juan for his service to MSU and wished him well in his retirement.

Public Comment

Mr. Hessing stated that in accordance with the Board of Regents By-Laws, MSU Policy 2.22, members of the public are invited to address the Midwestern State University Board of Regents through written and oral testimony. He added that no one had signed up to speak.

Board Resolutions

12-121. Mr. Hessing noted that each board member had received a copy of a proposed resolution of appreciation for former student regent, Linda Aguilera. Mr. Bernhardt moved approval of the resolution as presented. Mrs. Carnes seconded the motion and it was approved as shown in Attachment 1.

Board of Regents Vice Chairperson Election

12-122. Mr. Hessing reported that at the May board meeting he appointed Dr. Givens, Mrs. Carnes, and Mr. Sanchez to serve as a nominating committee for the position of vice chair of the Board of Regents for the remainder of the biennium. Dr. Givens reported that the committee met and recommended Mr. Mike Bernhardt to serve in this position. Mr. Bryant seconded the motion and it was approved. Mr. Hessing congratulated Mr. Bernhardt on his election.

Discussion of Governing Board Structure and Responsibilities

12-123. Mr. Hessing indicated that in light of Governor Perry's recent letter to university regents throughout the state, the upcoming Southern Association of Colleges and Schools (SACS) reaffirmation of accreditation visit, as well as recent events on college campuses around the country, he asked that this item be placed on the agenda to give the regents an opportunity to discuss their role as university board members. He noted that a copy of the Texas Education Code statement on board responsibilities, as well as a statement of duties and ethics of board members was included in the board agenda. He added that these items were also given to each member during their required board training.

Mr. Hessing stated that the board's committee structure was modified in May and that he had received feedback from a number of board members. He indicated his opinion

that the board should continue to evaluate the new structure, give it some time, and then discuss again. He noted that it should likely be reevaluated in one year.

Mr. Hessing noted the document dealing with duties and ethics of board members. He indicated that the MSU board had done a good job complying with the duty of unity and speaking with one voice. He stated that this was one of the fracturing points other boards had faced. He also mentioned the information on the second page of the document dealing with the executive's role and how board members can provide support and feedback.

Mr. Bryant stated that although the board should not be involved in the day-to-day management of the university, he indicated that it was important for the board to be fully informed. Mr. Hessing agreed and mentioned that some of the challenges he had read about at other institutions were the result of information not being shared and board members not seeking information when it was not forthcoming.

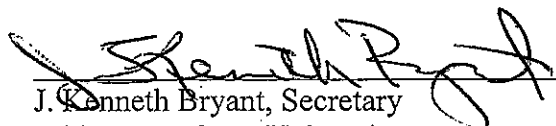
Mrs. Carnes asked if the Pennsylvania State University regents could be involved in individual lawsuits. Mr. Hessing responded that he did not know the status of lawsuits and was not aware of the board members' culpability. Mr. Macha indicated that board members individually and collectively must exercise due diligence regarding all matters that come before them. He noted that while regents at MSU are not facing the issues that have been seen at Penn State, the MSU board must be diligent in preparing the university should a similar situation occur.

Dr. Givens stated that in reading the Freeh Report regarding the Penn State case he noticed that the board was not aware of the situation when it began so the fault would have been with the administration not informing them. He added that the Freeh report found the board at fault for not acting quickly enough when they were made aware of the matter. Mr. Hessing commented that while policies and procedures are necessary, individual board members and administrators must also be diligent in following the procedures. Mr. Bryant added that board members must be careful not to rubber stamp decisions.

Adjournment

There being no further business, the meeting adjourned at 1:55 p.m.

Reviewed for submission:


J. Kenneth Bryant, Secretary
Midwestern State University
Board of Regents

ATTACHMENT:

1. Resolution of Appreciation – Ms. Linda Aguilera

MIDWESTERN STATE UNIVERSITY
RESOLUTION OF APPRECIATION
 August 9, 2012

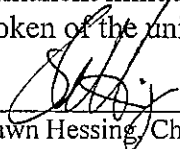
WHEREAS, Linda Aguilera was appointed by Texas Governor Rick Perry to serve as MSU Student Regent, the highest position to which a student can be appointed while enrolled in Texas public higher education, and

WHEREAS, Ms. Aguilera served in this position with distinction from June 1, 2011, until May 31, 2012, and

WHEREAS, she represented the students of Midwestern State University in discussions regarding key issues in higher education and provided input in decisions affecting the future of the university,

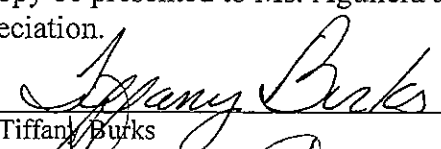
NOW, THEREFORE, BE IT RESOLVED that the members of the Board of Regents and President of Midwestern State University hereby express their most sincere appreciation to Linda Aguilera for her service, and


BE IT FURTHER RESOLVED that this Resolution be made a part of the permanent minutes of this Board and that a copy be presented to Ms. Aguilera as a token of the university's gratitude and appreciation.

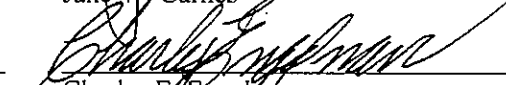

 Shawn Hessing, Chairman

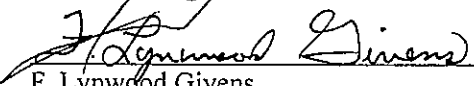

 J. Kenneth Bryant, Secretary

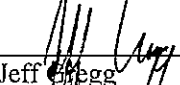

 Michael Bernhardt

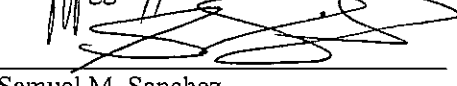

 Tiffany Burks



 Jane W. Carnes

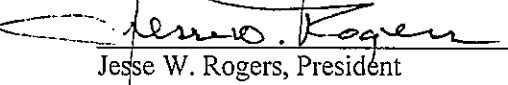

 Charles E. Engelman


 F. Lynwood Givens


 Jeff E. Egan


 Samuel M. Sanchez


 Holly Allsup, Student Regent


 Jesse W. Rogers, President



**MINUTES
BOARD OF REGENTS
MIDWESTERN STATE UNIVERSITY**

August 10, 2012

The Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 9:00 a.m., Friday, August 10, 2012. Regents in attendance were Mr. Shawn Hessing, Chairman; Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; Mrs. Tiffany Burks; Mrs. Jane Carnes; Mr. Charles Engelman; Dr. Lynwood Givens; Mr. Jeff Gregg; Mr. Sam Sanchez; and Student Regent Holly Allsup.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Mr. Juan Sandoval, Vice President for Business Affairs and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; and Dr. Robert Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Mr. Kyle Owen, Associate Vice President for Facilities Services; Dr. Pam Morgan, Associate Vice President for Outreach and Engagement; Mr. Charlie Carr, Director of Athletics; Mr. David Spencer, Internal Auditor; Mr. Barry Macha, General Counsel; Ms. Dianne Weakley, Director of Human Resources; Ms. Gail Ferguson, Controller; Ms. Valarie Maxwell, Director of Budget and Management; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Special guest attending the meeting was Dr. Raymund Paredes, Commissioner of Higher Education for the Texas Higher Education Coordinating Board (THECB). Representing the news media was Ms. Ann Work, reporter for *Times Record News*.

Chairman Hessing called the meeting to order at 9:00 a.m. and Ms. Gaynor introduced the guests.

Opening Comments

Mr. Hessing welcomed everyone to the meeting and thanked them for their participation, discussion, and action at the committee meetings yesterday. He thanked Commissioner Paredes for taking time out of his schedule to travel to Wichita Falls to meet with the MSU Board of Regents.

Public Comment

Mr. Hessing stated that in accordance with the Board of Regents By-Laws, MSU Policy 2.22, members of the public are invited to address the Midwestern State University Board of Regents through written and oral testimony. He noted that no one signed up to speak during this time.

Reading and Approval of Minutes

12-155 and 12-156. Minutes of the regular Board of Regents meetings May 10 and 11, 2012, were approved as presented.

Executive Committee Report

Mr. Hessing noted the items presented at the Executive Committee meeting for committee approval only, as well as the item tabled for further discussion. Information concerning these items may be found in the minutes of the Executive Committee meeting held August 9, 2012.

Items Presented for Committee Approval Only

12-124 and 12-125. Committee Minutes

Item Tabled for Discussion Friday

12-127. Approval and Execution of University Contracts

Executive Committee Consent Agenda

Mr. Hessing recommended the following item approved by the Executive Committee and placed on the Consent Agenda for the board's consideration.

- 12-126. Legislative Appropriations Request (LAR) - approved the Administrator's Statement, the exceptional item request for funding to expand critical field health science programs, and a tuition revenue bond request for the renovation of the Moffett Library facility.

Mr. Hessing asked if any member wanted to remove this item from the Consent Agenda. There being none, Mr. Bernhardt seconded Mr. Hessing's motion to approve the Consent Agenda as presented. The motion was approved.

Approval and Execution of University Contracts

- 12-127. Mr. Hessing noted that during Thursday's discussion of this item the committee asked Mr. Macha to recommend modified wording dealing with bequests to the university. The modified wording was presented to the board late Thursday evening as shown in Attachment 1. He noted that the changes were consistent with the discussion.

Mr. Bernhardt moved approval of this policy change with the modified wording. Mr. Sanchez seconded the motion and it was approved.

Finance Committee Report

Mr. Bernhardt noted the items presented at the Finance Committee Meeting for committee approval and information only. Information concerning these items can be found in the minutes of the Finance Committee meeting held August 9, 2012.

Item Presented for Committee Approval Only

12-128. Finance Committee Minutes

Item Presented for Information Only

12-129. Summary of Financial Support 9/1/11-7/15/12

Finance Committee Consent Agenda

Mr. Bernhardt recommended the following items approved by the Finance Committee and placed on the Consent Agenda for the board's consideration.

- 12-130. Financial Reports – accepted the monthly financial reports for April, May, and June, 2012.
- 12-131. Investment Report – accepted the third quarter 2012 Investment Report.
- 12-132. Investment Management Services – selected Luther King Capital Management to provide investment management services for the Redwine Fund.
- 12-133. *Policy Manual* Changes Related to University Advancement – approved changes to policies 2.337, 4.134, and 4.145 as presented.
- 12-134. Financial Disclosure Statements – accepted the 2011 statements for the President, the Vice President for Business Affairs and Finance, and the Controller.
- 12-135. University Accounts – authorized individuals to sign on university bank accounts, purchase and sell investment instruments, perform normal banking transactions, and sign appropriate personnel retirement documents as presented.
- 12-136. Approval of Brokers/Dealers, Investment Vehicles, and Asset Holding Accounts – approved the lists as presented.
- 12-137. Review of Personnel Reports and Salary/Title/Position Changes in 2011-2012 Budget – ratified the changes as presented.
- 12-138. Operating Budget for Fiscal Year 2013 - approved the \$95,706,395 operating budget for the 2012-2013 fiscal year as presented.

Mr. Hessing asked if there were items any member wanted to remove from the Consent Agenda. There being none, Mr. Sanchez seconded Mr. Bernhardt's motion to approve the Consent Agenda as presented. The motion was approved.

Audit, Compliance, and Management Review Committee Report

Mr. Sanchez noted the items presented at the Audit, Compliance, and Management Review Committee Meeting for committee approval and information only. Additional information concerning these items can be found in the minutes of the committee meeting held August 9, 2012.

Item Presented for Committee Approval Only

- 12-139. Audit, Compliance & Management Review Committee Minutes

Items Presented for Information Only

- 12-140. Report on Audit Activities
- 12-141. Status of Construction Projects

Audit, Compliance, and Management Review Committee Consent Agenda

Mr. Sanchez recommended the following items approved by the Audit, Compliance, and Management Review Committee and placed on the Consent Agenda for the board's consideration.

12-142. Review of Policies and Procedures Regarding Criminal Situations on Campus – authorized Chairman Hessing to write a response to Governor Perry regarding the review of policies at Midwestern State University, with the letter signed by all board members.

12-143. Internal Audit Plan – 2012-2013 – approved the plan as presented.

Mr. Hessing asked if there were items any member wanted to remove from the Consent Agenda. There being none, Mrs. Carnes seconded Mr. Sanchez's motion to approve the Consent Agenda as presented. The motion was approved.

Mr. Hessing noted that a draft of the letter to Governor Perry was included in each regent's folder. He indicated that comments could be forwarded to Ms. Barrow (a copy of the final letter is shown as Attachment 2).

Academic and Student Affairs Committee Report

Dr. Givens noted the items presented at the Academic and Student Affairs Committee Meeting for committee approval and information only. Information concerning these items can be found in the minutes of the committee meeting held August 9, 2012.

Item Presented for Committee Approval Only

12-144. Academic and Student Affairs Committee Minutes

Items Presented for Information Only

12-145. Faculty Report

12-146. Staff Report

12-147. Student Government Report

12-148. Athletics Report

12-149. Enrollment Report – Summer 2012

Academic and Student Affairs Committee Consent Agenda

Dr. Givens recommended the following items that were approved by the Academic and Student Affairs Committee and placed on the Consent Agenda for the board's consideration.

12-150. August 2012 Graduating Class – approved the list of candidates for graduation.

12-151. *MSU Student Handbook* Changes– approved a new policy for addressing general student complaints, and policy changes related to sexual misconduct and sex/gender discrimination.

12-152. *MSU Policies and Procedures Manual* Changes – approved changes to policies 2.393, 3.131, and 3.224 as presented.

12-153. Southern Association of Colleges and Schools (SACS) Update, Quality Enhancement Plan (QEP) and Strategic Plan – approved the QEP topic proposal and the Strategic Plan goals as presented.

12-154. Tenure – approved granting faculty tenure to the following individuals:

Ann Marie Leimer, Ph.D.	Art
Lynn Little, Ph.D.	Biology
Betty Stewart, Ph.D.	Chemistry

Mr. Hessing asked if there were items any member wanted to remove from the Consent Agenda. There being none, Mrs. Burks seconded Dr. Givens' motion to approve the Consent Agenda as presented. The motion was approved.

Other Business

Board of Regents Meeting Dates – 2012-2013

12-157. The proposed meeting dates for the upcoming academic year were listed in the agenda. There being no noted conflicts, the dates were approved as presented.

President's Report

12-158. Dr. Rogers presented the following information.

- A. Vice President for Business Affairs and Finance Search Update – the search process has been completed and Dr. Marilyn Fowlé has accepted the position. She holds a doctorate from the University of Pennsylvania, a Master of Business Administration from Rice University, and her bachelor's degree from the University of Houston Clear Lake. Dr. Fowlé has over 20 years experience at the vice president level.
- B. Engineering Program Update – MSU's engineering program has been very successful with 200 declared engineering majors. The administration and board had approved the proposal to offer an interdisciplinary engineering program. Following a review by the THECB, the administration was encouraged to add various specialties within the mechanical engineering degree program rather than adding a separate degree program. The THECB staff suggested that to do otherwise would simply dilute the size and success of the university's engineering program. The administration and faculty are now working on this option and plans include offering an option in petroleum engineering with a specialization in artificial lift. Dr. Rogers reported that local donors are in favor of this option and are working with the faculty to develop a relevant, needed program.
- C. Campus Conservation Efforts – it is possible that the Wichita Falls area may face Stage 3 water conservation in the next few weeks. Dr. Rogers reported that the university is already having a difficult time keeping playing fields adequately watered. He noted that the cost to replace these fields would be in the hundreds of thousands of dollars. He added that the athletics staff and students have been watering the fields by hand to help keep them alive. He reported that the administration and Physical Plan staff are continuing to look at possible solutions for campus watering.

He noted that the administration would keep the board informed as planning progresses.

Texas Higher Education Coordinating Board (THECB) Discussion

12-159. Dr. Rogers introduced Dr. Raymund Paredes, Commissioner of Higher Education of the THECB. Dr. Paredes thanked the board for the opportunity to meet with them. He also thanked the regents for their service. He presented information entitled "Progress on *Closing the Gaps* and A Look Ahead to the 83rd Legislative Session" (see Attachment 3).

Dr. Paredes reported that *Closing the Gaps*, the state's higher education master plan, included four major goals: Access, Success, Excellence, and Research. The intended outcomes of the plan were to increase the number of students that go to college in Texas, increase the percentage of students who complete post-secondary credentials, create more national research universities, improve the quality of education in general, and increase the amount of research funding received, particularly from the federal government. The two priority goals were to increase participation and success. Dr. Paredes reported that in 2000, Texas was one of only a few states to establish clear higher education goals. He added that significant progress had been made during the last decade. The first chart showed that enrollments have increased significantly and the state should meet or exceed the overall participation goal by 2015. He added that in 2000 Texas was between 45th and 49th among all states in terms of higher education attainment. Upon achieving the goal of 630,000 students participating, Texas will remain average in terms of college participation among the ten most populous states. It is expected that by 2015 approximately 53% of high school graduates in Texas will continue to some form of post-secondary education. The comparable figure in the highest achieving states, such as Massachusetts and California, is more than 65%

Another slide showed that the state is well on its way to meeting the goal of awarding 210,000 degrees and certificates by 2015. Dr. Paredes noted that, unfortunately, this progress will not be enough to keep up with the rest of the industrialized world, Texas' true competitors in the new global economy.

Dr. Paredes noted that while MSU's enrollment had been flat during the last decade the university had seen significant improvement in completion rates. He commended the administration, faculty, and board members for their efforts in this regard. He reported that MSU graduates a significantly larger number of students after 10 years than after six years. He noted that this was not typical of higher education institutions and MSU's statistics were the exception. He stated that the statewide average six-year graduation rate is 58.4% and the same is true nationwide. He added that if the University of Texas at Austin and Texas A&M University are taken out of the equation, the statewide average six-year graduation rate is only 49%. He noted that the completion rates for higher education institutions are lower than the completion rates for high schools in Texas. He pointed out that at MSU the average time to degree is 5.5 years and students accumulate an average of 150 hours to obtain a 120 hour degree. These figures slightly exceed the state average. He stated that this was, to a large extent, a function of poor advising, poor decision making by students, lack of information, and the proliferation of lower division courses offered by universities. He stated that national data has shown that by reducing the number of options students have and offering the courses that most students want to

take to complete a degree, institutions and students can save money and accelerate time to completion. He added that the THECB was considering proposing legislation that would limit the number of hours a student can accumulate for a baccalaureate degree to 135, after which students would have to pay out-of-state tuition and universities would not receive formula funding for the excess hours.

Dr. Paredes reported that the state had not made much progress in awarding STEM (science, technology, engineering and math) field degrees. He noted that part of the challenge is that not enough students who graduate from Texas high schools can do the rigorous work required in these fields. He stated that K-12 cannot fix this problem without help from higher education. He added that university faculty must work to help students succeed, particularly in these fields. Dr. Paredes added that universities are not producing enough certified teachers to meet public school demand, particularly math and science teachers, which are critical to creating and sustaining momentum in STEM fields.

In looking beyond 2015, Commissioner Paredes stated that Texas must set even higher goals and achieve higher levels of performance to reach national and global leadership. He stated that in 1973 only 28% of all jobs required some form of postsecondary education, compared to a projected 63% by 2018. The state must significantly increase the number of workers with postsecondary education and skill training if future job demands are to be met. A slide provided information regarding adults who hold an associate degree or higher by age group in Texas, Mexico, and other select Organization for Economic Cooperation and Development (OECD) countries. He noted that Texas and the nation exceed educational attainment rates of key global peers above 45 years of age and higher, but are falling behind among younger cohorts. He stated that if this trend is not reversed, Texas and the United States will not be able to compete economically. He added that the Obama administration had reported that U.S. college degree attainment rate must be increased from 40 to 60%. That increase equates to 10 million additional Americans ages 25-34 with an associate or baccalaureate degree. Texas alone will need an additional 4.1 million associate & bachelor's degrees by the year 2030 to reach the internationally accepted goal of 60% of the workforce with higher education attainment.

Dr. Paredes reported that post-secondary education financial aid must be restructured. He stated that 60% of the students coming through the K-12 pipeline are poor. Tuition and fees are increasing steadily and the ability of high school graduates to afford college is declining. He indicated that institutions must provide more low-cost degree options. He noted that when Governor Perry called for a \$10,000 baccalaureate degree at the beginning of the 2011 legislative session there was a lot of skepticism. He added that the idea originated with Bill Gates who thought a \$10,000 degree was possible with technology and new methods of course delivery. Dr. Paredes stated that McKinsey and Company published a study in 2010 entitled "Winning by Degrees: The Strategies of Highly Productive Higher Education Institutions." He noted that the study argued that there was a 15% to 30% cost inefficiency in the operating habits of institutions of higher education in the United States. He stated that this must be addressed. He indicated that the relationships between community colleges and universities must be improved, particularly to ensure that courses transferred from community colleges count toward degrees. College readiness must be improved and that will require universities to work more closely with K-12. He reported that the THECB was statutorily required to work with the Texas Education Agency (TEA) on end of course exams particularly for English

III and Algebra II. The standards were raised to levels that were considered reasonable. Unfortunately, the pass rate in the pilot phase for 90,000 high school seniors in Reading and Writing two and three percent respectively. The pass rate for Algebra II was 11%. If those standards had been implemented developmental education in Texas would have tripled. He stated that one of the most significant cost efficiency measures higher education can take in Texas is to work more closely with K-12 to get students better prepared. He reported that McKinsey found that the biggest reason for the relative gap between the United States and other high achieving countries in education (the U.S. is ranked 23rd or 24th) is the quality of our teaching. In South Korea, Singapore, Finland, and Japan, they draw K-12 teachers from the top 10% of the university classes. In the U.S., the majority of K-12 teachers come from the bottom one-third of university classes. The only way to improve is to work closing with K-12, particularly in professional development.

Dr. Paredes reviewed the outcomes-based funding recommendations and metrics that will be recommended to the legislature in 2013. If approved, 10% of the undergraduate funding would be allocated in this way.

Dr. Paredes reported that the THECB received a \$1 million grant from Educause to develop a \$10,000 degree and that they have partnered with South Texas College and Texas A&M University Commerce. He indicated that the program will be competency based and students will be able to advance at their own pace. He noted that Western Governor's University utilizes this model and are getting very good results.

Dr. Paredes thanked Dr. Rogers and the board for the opportunity to visit with them and offered to answer any questions they might have.

Mrs. Burks reported that she was aware of a high school in Dallas that had been identified as a feeder school for the University of North Texas and their students' college credits while still in high school. She asked the Commissioner about his thoughts on programs such as this. He responded that the THECB promotes these programs and added that the state is building more and more Early College High Schools. He added the El Paso has taken the lead in this arena and that the majority of students graduating from these high schools have earned an associate degree and also upper division credits.

Dr. Farrell asked the Commissioner to discuss the role of distance education in the future of higher education. Dr. Paredes responded that the U. S. Department of Education did a study last year and demonstrated that typically the best approach for the largest number of students is the blended approach. He stated that there is a lot of evidence that suggests that on-line education works better for more mature, self-motivated students. He added that on-line courses do not work nearly as well for students who are underprepared or low-achieving.

Mr. Bernhardt asked what the MSU board and administration could do to help students perform. Dr. Paredes stated that graduation rates at MSU must continue to improve. He commended Dr. Rogers for his leadership and stated that he regarded Dr. Rogers as one of the best university presidents in the state. He noted that institutions must provide better advising and must train faculty to pay better attention to students. He indicated that if a faculty member reaches out to students who are in trouble, the likelihood of

retention and persistence goes up. He stated that two myths in higher education should be addressed; the first being that in the three month period between graduating from high school and enrolling at a university young people are transformed into adults. The second myth is that earning a Ph.D. qualifies an individual to be a great teacher. Dr. Paredes encouraged offering teaching academies for young faculty taught by more experienced teaching faculty.

Dr. Rogers asked what proprietary schools are doing to attract so many students. Dr. Paredes responded that they appeal to students on the basis of accessibility. He added that while higher education institutions talk about non-traditional students, they continue with a traditional university structure. Many of the proprietary schools offer courses in four or eight week modules. They also do a good job of providing online services, to include tutoring.

Mr. Sanchez asked how the university could encourage faculty to become more integrated with K-12 efforts. Dr. Paredes responded that he encourages all universities to create vertical teams with university faculty working with community college faculty so that articulation and transfer is seamless. He added that he would want to see university faculty working with high school teachers to develop and work on curriculum that prepares students to do college level work. He stated that higher education institutions must help high school teachers achieve appropriate levels of rigor and teach up to the required levels in the various disciplines.

Mr. Hessing thanked Dr. Paredes for visiting with the board. He stated that the university looked forward to continuing to work with the THECB.


Closing Comments

Mr. Hessing thanked the regents for their service to the university. He stated that the next regular board meetings would be held November 15 and 16, 2012.

Adjournment

There being no further business, the meeting was adjourned at 10:27 a.m.

I, J. Kenneth Bryant, the fully appointed and qualified Secretary of the Midwestern State University Board of Regents, hereby certify that the above and foregoing is a true and correct copy of the minutes of the Midwestern State University Board of Regents meeting August 10, 2012.


J. Kenneth Bryant, Secretary

ATTACHMENTS:

1. MSU Policy 2.24 – Approval and Execution of University Contracts - FINAL
2. Letter from MSU Board of Regents to Governor Rick Perry - Review of Policies and Procedures – Criminal Situations on Campus
3. Commissioner Paredes' presentation – “Progress on *Closing the Gaps* and A Look Ahead to the 83rd Legislative Session”

2.24 President's Office**BOARD CONTRACT SIGNING AUTHORIZATION**

Date Adopted/Most Recent Revision: 11/11/2011

A. General

The President of Midwestern State University, or his designate, is authorized to sign all contracts for the purchase of goods or services if the total amount of the specific contract is:

1. ~~previously approved by the Board of Regents; or~~
2. ~~part of a local, state, or national grant for educational services to the university; or~~
3. ~~\$50,000 or less; or~~
4. ~~within the range specified by the Board of Regents for construction contracts.~~

B. Contract Review Requirements

1. ~~The contract review process will begin with the initiating department.~~
2. ~~All contracts in the amount of \$10,000 or less must be signed one vice-president, the Provost, or the President.~~
3. ~~All contracts ranging from \$10,000.01 – \$50,000 must be additionally signed the Vice President for Business Affairs and Finance.~~
4. ~~All contracts that exceed \$50,000 must be additionally approved by the university's General Counsel, and signed by the President or the Vice President for Business Affairs and Finance. Should the university's General Counsel not approve the contract, Board of Regents authorization will be required.~~

C. Employment Contracts & Notices of Employment

The President, or his designate, is authorized to sign all contracts and notices of employment for university personnel.

D. Real Estate

Contracts for the purchase or sale of real property must be signed by the chairperson of the Board of Regents or his/her designate.

E. Designate Authorization

Delegation of signature authority to a designate by either the chairperson of the Board of Regents or the President of the university shall only be done in writing, but an informal letter or memorandum that is specific to the contract or the contract subject matter may suffice for this purpose.

2.24 President's Office**APPROVAL AND EXECUTION OF UNIVERSITY CONTRACTS**

Date Adopted/Most Recent Revision: 8/10/12

A. Purpose and Scope

This policy establishes the authority for the University to approve and execute contracts. A "contract" is an agreement between two or more parties who intend to create legally enforceable obligations. There are many types and variations of contracts including, but not limited to: agreements, easements, grants, leases, letters of intent, licenses, memorandums of understanding, purchase orders, and terms and conditions.

This policy applies to any type of contract that binds the University and/or obligates the University to provide payment, services, goods, or use of university property, facilities or other resources, including any amendment, alteration, change, change order, correction, extension, modification, or renewal of a signed contract. No person has the authority to bind the University contractually except in accordance with this policy. An individual who signs a contract without having the authority to do so may be individually responsible for fulfilling the obligations required by the contract.

B. Contractual Authority of the Board of Regents

By law the Board of Regents is vested with the authority to contract on behalf of the University. The Board may delegate to a representative of the Board or an employee of the

University the authority to negotiate, approve, and execute contracts. A contract that is not approved or executed (signed) in accordance with this policy is void.

C. Contract Approval Process

A *Contract Routing Sheet* prepared in accordance with section E (Administrative and Legal Review) must be attached to the contract and approved as indicated below:

Contract Term	Approval Required
Contracts of \$500,000 or more per year (except that the following are exempt from this provision: contracts related to the acceptance of bequests, gifts, or grants to the University, other than real property, in accordance with university policies and procedures; and interagency agreements for the purchase of electricity and natural gas through the Texas General Land Office's state energy marketing program)	Board of Regents
Contracts involving the acquisition, purchase, sale, or encumbrance of real property (except that a mineral interest in real property having a monetary cost or value of less than \$100,000 is exempt from this provision)	Board of Regents
Contracts in excess of five years (except that the following are exempt from this provision: a contract that can be terminated without cause with notice of 120 days or less; and leases of mineral rights having a monetary cost or value of less than \$100,000)	Board of Regents
Contracts that involve employment of the President of the University	Board of Regents
Contracts that involve athletic conference membership	Board of Regents
Contracts of \$500,000 or more per year related to: contracts related to the acceptance of bequests, gifts, or grants to the University, other than real property, in accordance with university policies and procedures; and interagency agreements for the purchase of electricity and natural gas through the Texas General Land Office's state energy marketing program	President
Contracts of \$100,000 or more, but less than \$500,000 per year	President
Contracts related to the purchase, sale, or encumbrance of a mineral interest in real property having a monetary cost or value of less than \$100,000	President
Contracts and notices of employment for University personnel	President
Licenses or other conveyances of intellectual property owned or controlled by the University	President

Contracts of less than \$100,000 per year	President or Appropriate Vice President
Contracts involving grant proposals for sponsored research, including institutional support grants	President or Appropriate Vice President; Vice President for Business Affairs & Finance
Contracts involving non-monetary affiliation and clinical agreements	President or Provost and Vice President for Academic Affairs
Fiscal approval of contracts of \$50,000 or more per year (except that all University employment contracts are exempt from this provision)	Vice President for Business Affairs & Finance
Approval of all contracts for information technology	Vice President for Administration & Institutional Effectiveness
Approval of all contracts unless using an unmodified standard contract form pre-approved in writing by the Office of General Counsel	General Counsel

D. Contract Signature Authorization Process

Prior to signing a contract, the contract review process must be completed as outlined in section C (Contract Approval Process) of this policy. The President has approved the following signature authority:

Contract Term	Signature Approval
Contract signature authorization for contracts approved by the Board in accordance with Section C (Contract Approval Process) of this policy, unless otherwise specified by the Board	President or President's designee
Contract signature authorization for contracts of \$500,000 or more per year related to: contracts related to the acceptance of bequests, gifts, or grants to the University, other than real property, in accordance with university policies and procedures; and interagency agreements for the purchase of electricity and natural gas through the Texas General Land Office's state energy marketing program	President or President's Designee
Contract signature authorization for all contracts of \$100,000 or more but less than \$500,000 per year	President or President's designee
Contract signature authorization for all contracts related to the purchase, sale, or encumbrance of a mineral interest in real property having a monetary cost or value of less than \$100,000	President or President's designee

Contract signature authorization for all contracts and notices of employment for University personnel	President or President's designee
Contract signature authorization for licenses or other conveyances of intellectual property owned or controlled by the University	President or President's designee
Contract signature authorization for all contracts of less than \$100,000 per year	President or Appropriate Vice President
Contract signature authorization for all contracts involving grants for sponsored research, including institutional support grants	President or Appropriate Vice President
Contract signature authorization for all non-monetary affiliation and clinical agreements	President or Provost and Vice President for Academic Affairs
Contract signature authorization for all contracts for information technology	President or the Vice President for Administration & Institutional Effectiveness

Delegations of signature authority to a designate may be made by the Chairperson of the Board of Regents or the President of the University only and must: be in writing; specify the need for compliance with these contract approval and signature authorization requirements; and be retained by the party making the delegation and the party receiving the delegation. A copy of the delegation shall be sent to the Controller, Office of General Counsel, and the Contract Administration Office.

Once contracts are signed, the Purchasing Office will create purchase orders (except for contracts not involving a purchase, e.g., affiliation or facility use agreements).

E. Administrative and Legal Review

1. The University's administration shall develop and implement *Contract Administration Procedures* for all contracts that include the following:
 - (a) All contracts are in writing and in the name of the University (not in the name of a department or an individual);
 - (b) Contracts comply with applicable federal and state law and regulations (including state purchasing requirements), and applicable University policies and procedures;
 - (c) Contracts are properly reviewed and approved prior to being signed by a person with delegated authority and evidenced by a properly completed *Contract Routing Sheet*;
 - (d) Contracts are properly maintained in accordance with the University's records management policy and records retention schedule and all state reporting requirements are completed in a timely manner and proper form;
 - (e) Contracts are monitored to ensure proper execution and performance; and
 - (f) The contract administration procedures will be annually assessed and identified improvements implemented.

The contract administration procedures shall also apply to any amendment, alteration, change, change order, correction, extension, modification, or renewal of a signed contract.

2. All contracts must be approved as to form and legal sufficiency by the Office of General Counsel before execution. The Office of General Counsel may approve standard contract forms which, if unmodified, may be used without obtaining further approval from the Office of General Counsel.

F. Prior Contracts

Contracts signed and approved in accordance with policies and procedures in effect prior to the effective date of this policy shall remain in full force and effect, but modifications or extensions to such contracts must be approved and signed in accordance with the provisions of this policy.



MIDWESTERN STATE UNIVERSITY

Board of Regents

3410 Taft Boulevard Wichita Falls, Texas 76308-2099

Office: 940-397-4211 Fax: 940-397-4010

August 17, 2012

The Honorable Rick Perry
Governor of the State of Texas
P. O. Box 12428
Austin, TX 78711-2428

Dear Governor Perry,

The Midwestern State University Board of Regents met Friday, August 10, for our regular board meeting. As part of our formal agenda, we spent considerable time reviewing and discussing policies and procedures at Midwestern State University to address criminal situations on campus. Additionally, we discussed our role and responsibilities as governing board members, which we take very seriously.

The MSU administration provided a list of policies, procedures, and protocols that are currently in place at our institution for our review and discussion. A copy of this document is enclosed for your information. During our discussion, the Board requested that the administration expand university policies to include a policy statement regarding Federal Timely Warning Obligations contained in the Clery Act and responsibilities of reporting abuse or neglect that are included in the Texas Penal Code and the Texas Family Code. While these are outlined in state and federal statutes, we agreed it was important that the information be readily available to all university personnel. The Board also requested that training on these particular issues be added to the current periodic training required of all university employees.

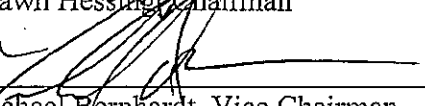
We believe we have the people and policies in place that will safeguard our institution from experiencing something like what we observed at Pennsylvania State University. We assure you that we will continue to take the necessary actions to ensure that Midwestern State University remains a safe and productive institution of higher learning in Texas. We, individually and collectively, affirm our commitment to exercising good judgment and providing due diligence in the performance of our duties as board members.

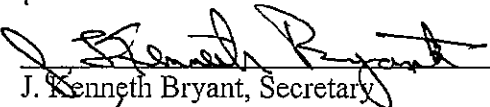
Thank you for the opportunity to serve the State of Texas and Midwestern State University.

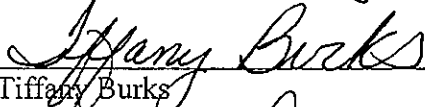
Sincerely,

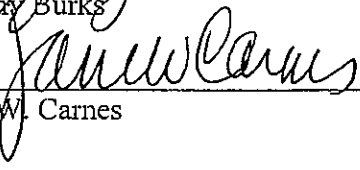
Midwestern State University Board of Regents


Shawn Hessing, Chairman

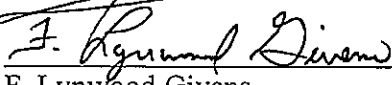

Michael Bernhardt, Vice Chairman



J. Kenneth Bryant, Secretary

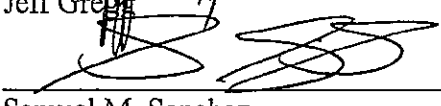

Tiffany Burks

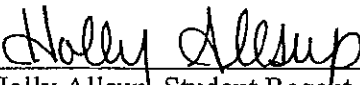

Jane W. Carnes


Charles E. Engelman


F. Lynwood Givens


Jeff Gregg


Samuel M. Sanchez


Holly Allsup, Student Regent

**Midwestern State University
Policy and Procedure Review
August 10, 2012**

The administration has surveyed its policies and procedures in response to the request by Governor Perry to review policies and procedures in place for criminal situations of the nature that occurred at Pennsylvania State University. The following items identify such policies, procedures, protocols, and training currently in place at Midwestern State University.

1. Policy 3.314 – Ethics Policy for Employees of Midwestern State University
http://personnel.mwsu.edu/policy/3.3-employee-policies/3.314-Employee_Ethics.asp
2. Policy 3.349 - Employee Background Checks
<http://personnel.mwsu.edu/policy/3.3-employee-policies/3.349-Employee-Background.asp>
3. Policy 4.152 – Police Department Administration and Regulatory Ordinances
<http://personnel.mwsu.edu/policy/4-general-university-policies/4.152-regulatory.asp>
4. Policy 4.161 – Sex Discrimination and Sexual Harassment
http://personnel.mwsu.edu/policy/4-general-university-policies/4.161-sexual_harrassment.asp
5. Policy 4.169 – Summer Camps
http://personnel.mwsu.edu/policy/4-general-university-policies/4.169-camps_conferences.asp

Legislation was approved in 2011 which established sexual abuse and child molestation training requirements for employees involved in activities for minors that are offered on the campus of institutions of higher education. Training for employees of summer camps offered on the MSU campus is required and provided on line -
<https://secure.mwsu.edu/personnel-training/Child-Protection/slideshow/>

Additionally, revisions to Policy 4.169 are in place and await formal approval by the University's Administrative Council:



Policy 4.169 camps
draft June 2012.doc

6. *Athletic Staff Code of Conduct and Ethics*



C1 COACHES AND
STAFF CODE OF CON

7. *MSU Student Handbook Standards of Conduct - Sexual Misconduct* (on page 79).
<http://students.mwsu.edu/studentaffairs/handbook.asp>

An updated statement is included in the August Board agenda for review and approval (**NOTE:** Statement approved by Board of Regents 8/10/12). This statement will ensure continued compliance with Title IX, including greater specificity of violations and University recourse.



BOR Handbook Policy
080612.pdf

8. *MSU Residence Life Handbook* (see p. 29 items #25 – Sexual Assault and #26 – Sexual harassment): <http://housing.mwsu.edu/pdf/residencehallhandbook.pdf>
9. Mandatory Sexual Harassment and Ethics Training for university employees -
<http://personnel.mwsu.edu/office/training/index.asp?LL=1669>
10. Crime Awareness and Campus Security Act – Clery Report
<http://police.mwsu.edu/awareness.asp?LL=495>
11. Anonymous Information Report to Police Department
<http://webforms.mwsu.edu/TakeSurvey.aspx?SurveyID=m2LJ452&LL=501>
12. MSU Police Department general order 7.46 (Sex Offender Registration/Protocol).



Sex Offender
Registration.docx

13. The MSU Police Department is a partner agency with Patsy's House, a local children's advocacy center. The center's protocols appear below:



Patsy's House
protocols.doc

14. MSU has an emergency alert system in place and the University's Police Department uses it in the case of criminal activity on or near the campus.

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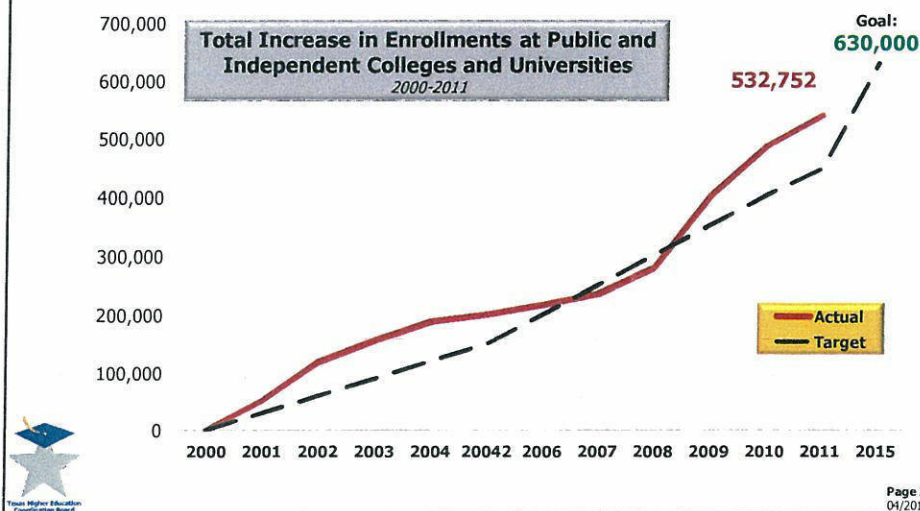
Progress on *Closing the Gaps* and A Look Ahead to the 83rd Legislative Session

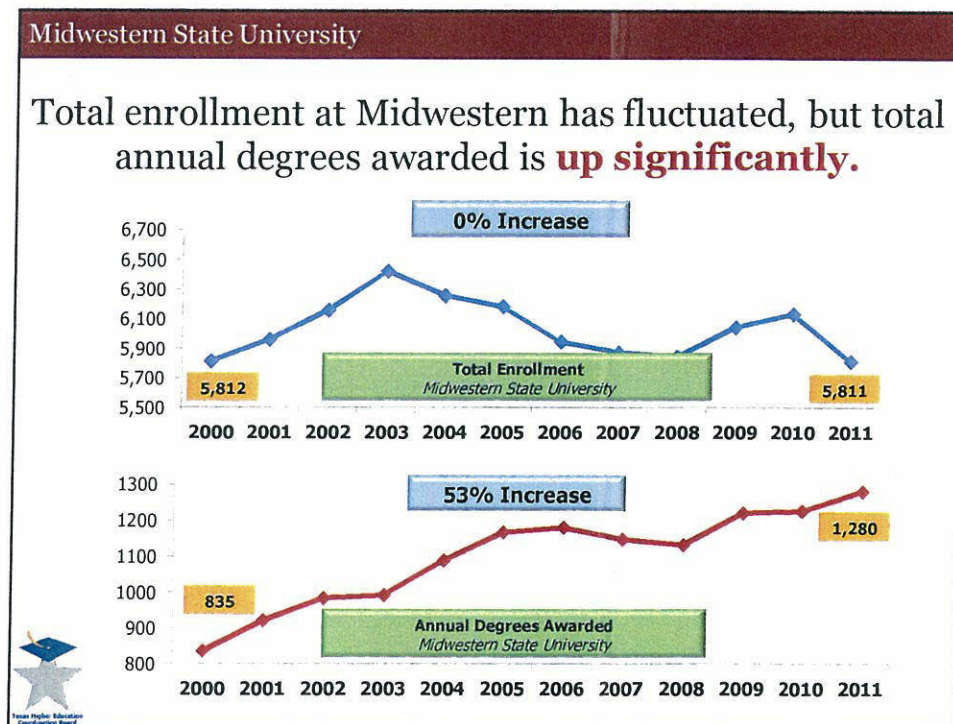
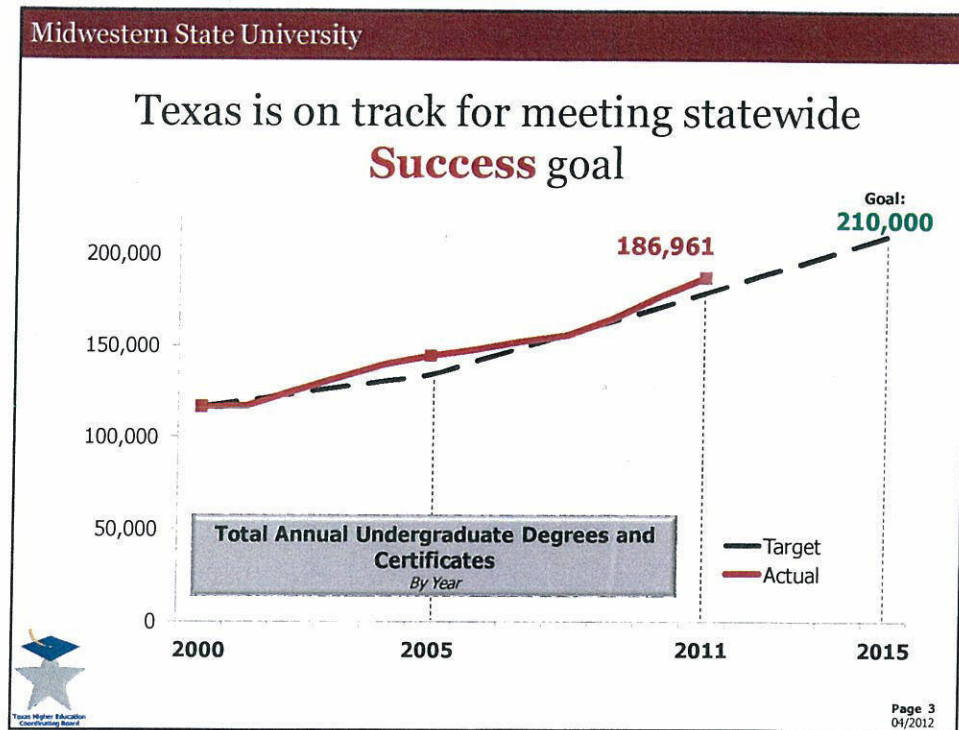
August 10, 2012

Raymund A. Paredes
Commissioner

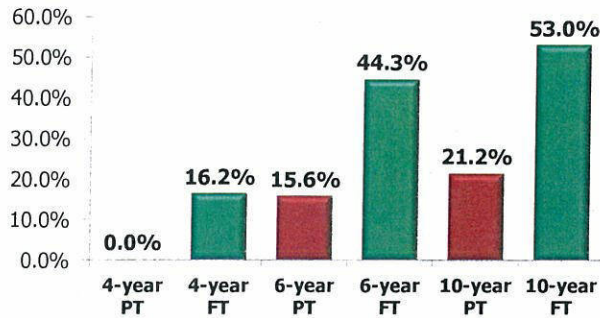
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Texas remains on track to meet statewide **Participation** goal





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MSU Graduation Rates*Full-Time vs. Part-Time***Statewide Grad. Rates**

	Part-Time	Full-Time
4-Year	13.0%	29.9%
6-year	30.6%	58.4%
10-year	42.7%	65.6%

	Time to Degree (4-year degree)	Credits to Degree (120 Hr. Degree)
MSU	5.5 years	150
State	5.3 years	147

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The THECB has heightened its focus on four areas where Texas is well below its 2015 Target

Closing the Gaps Goals

Close the Gaps in Participation

Close the Gaps in Success

Close the Gaps in Excellence

Close the Gaps in Research

Closing the Gaps Areas Well Below Target

Participation of Hispanic Students and African American Male Students

Success of Hispanic and African American Students

STEM Degrees

Teachers Certificates and Effectiveness

Nursing Awards

Research Funding

Accelerated
Plan Focus
Areas

While nursing awards and research funding are also below CTG targets, these areas already have legislative support and momentum.

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Hispanic enrollments have improved,
but not fast enough

	2011 Actual	% Increase over 2000
MSU	712	64%
Statewide	474,724	100%

% of Hispanic Population
Enrolled in Higher Education

- Females: **5.6%**
- Males: **3.8%**
- Goal: **5.7%**

African American enrollments are
exceeding goals, but males lag

	2011 Actual	% Increase over 2000
MSU	683	56%
Statewide	209,405	93%

% of African American Population
Enrolled in Higher Education

- Females: **8.7%**
- Males: **5.3%**
- Goal: **5.7%**

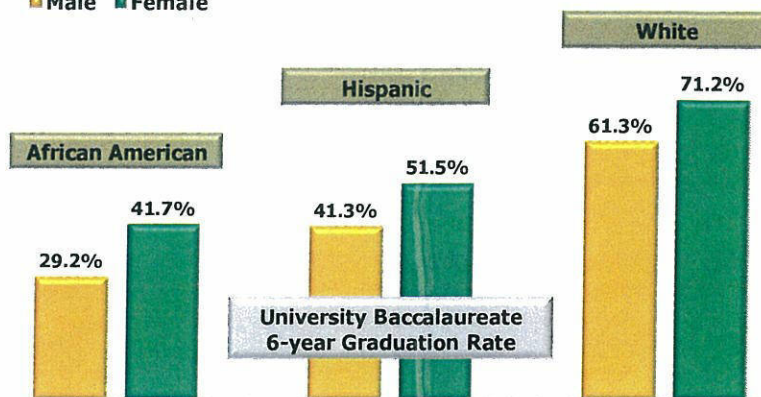


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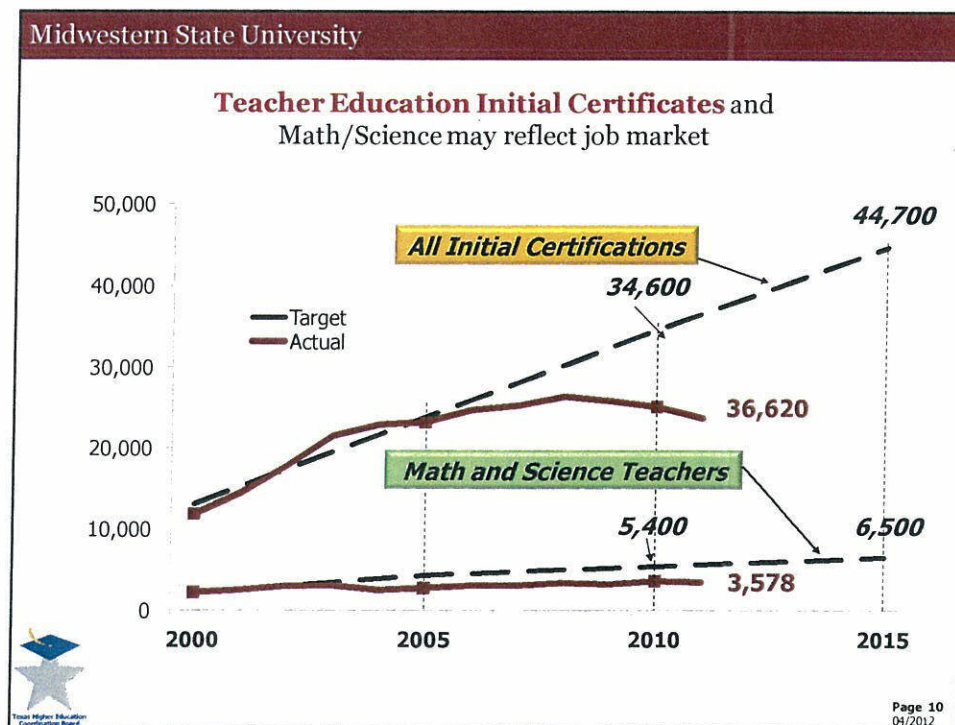
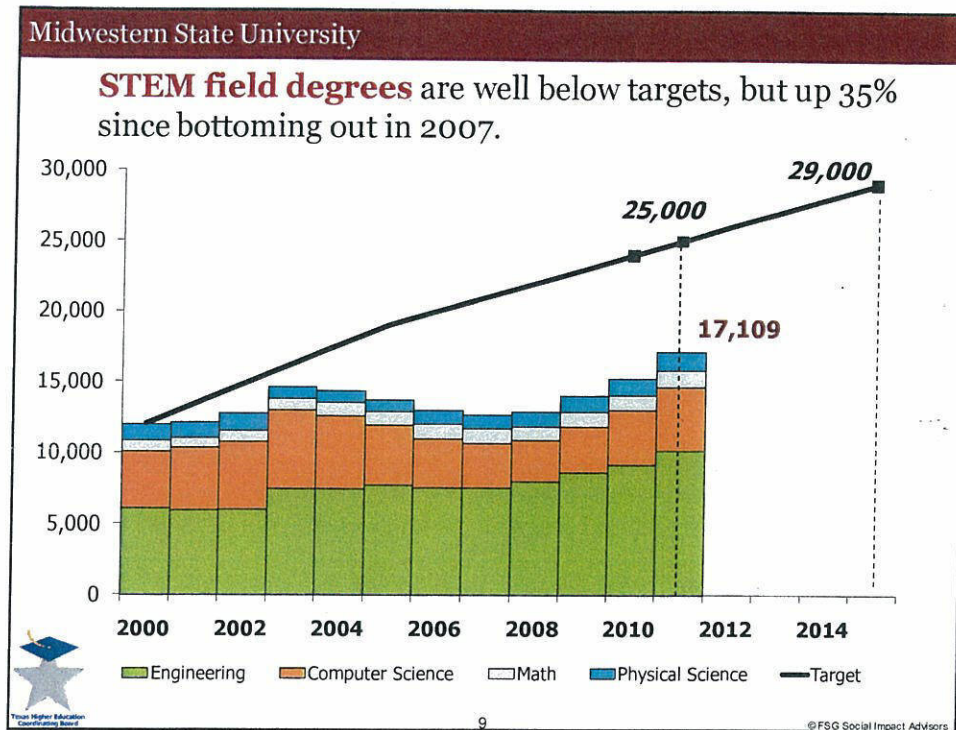
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Postsecondary completions for Hispanics and
African Americans continue to trail

Male Female




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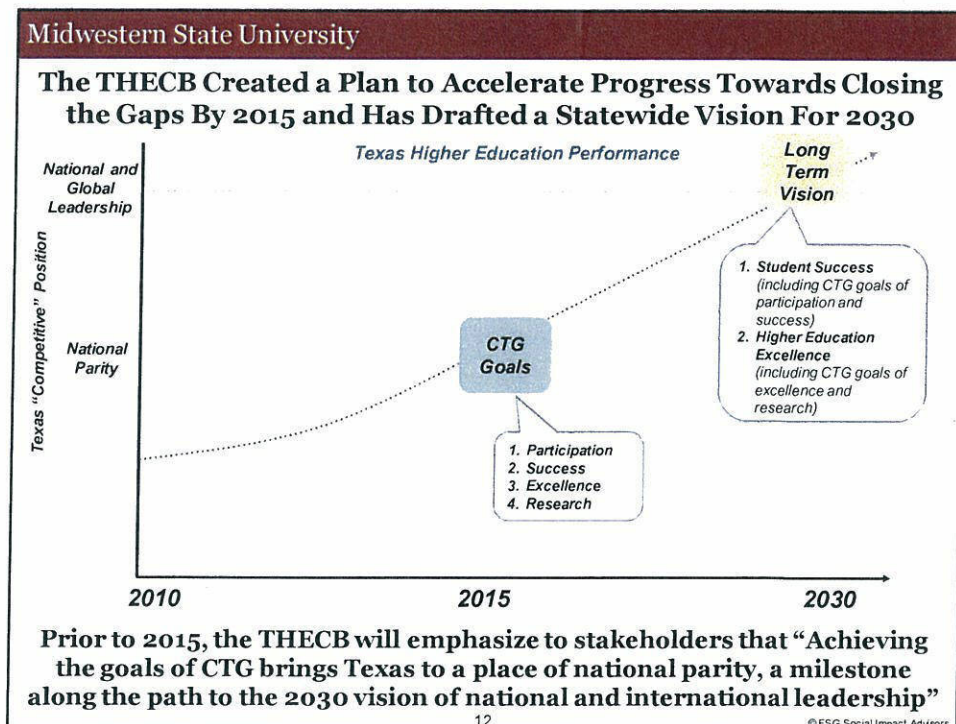
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Beyond Closing the Gaps

Long Term Vision for Texas Higher Education



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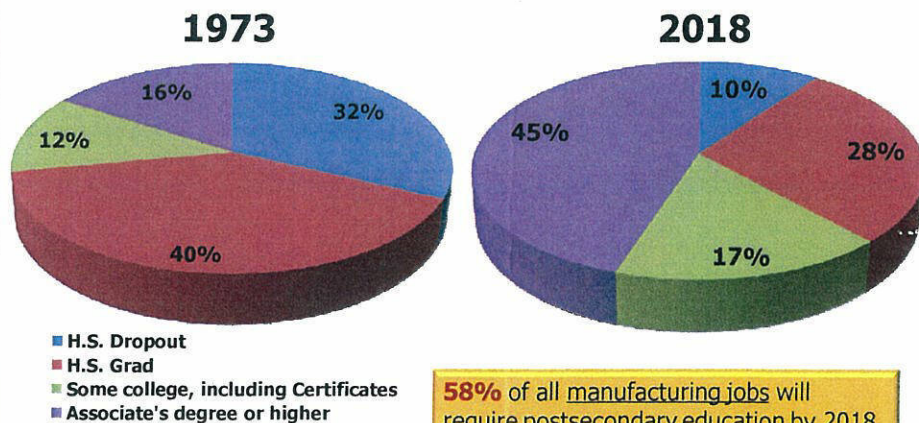
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During this interim before the 83rd Legislative Session, we must explore together new strategies and initiatives to improve productivity, efficiency, and establish a policy framework for becoming a national leader and **global competitor**.



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In 1973, only **28%** of all jobs in the U.S. required some postsecondary education compared to a projected **63%** by 2018.

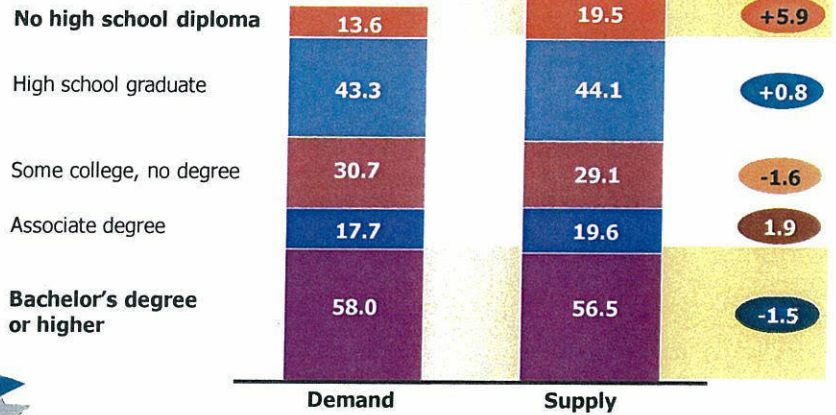


Source: Georgetown University, Center on Education and the Workforce;
data in charts rounded.

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The United States is projected to have a **mismatch between future jobs and workforce skill/education**

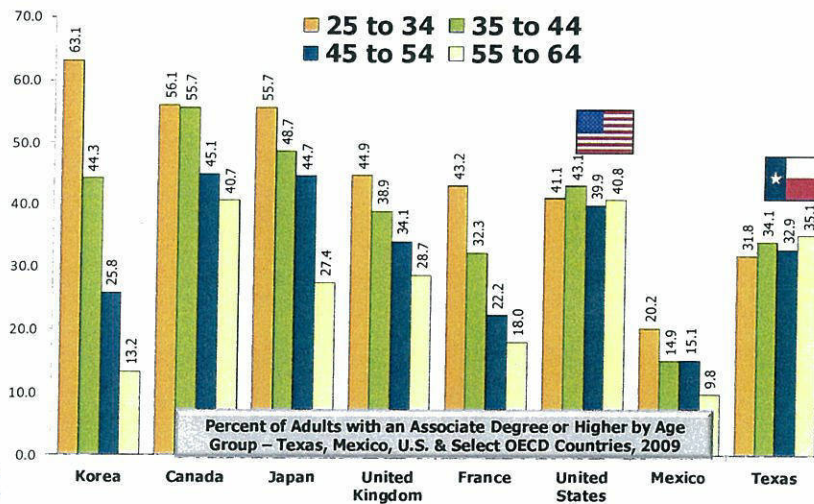
Demand vs. supply – 2020 projections
Millions



Source: U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Mckinsey Global Institute analysis

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The result: Texas is quickly falling behind which will hinder the state's global competitiveness.



Source: OECD, Education at a Glance 2011

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Key strategies and initiatives

➤ Expanding Access to Higher Education

- Restructuring Financial Aid
- Low-cost degrees
- Institutionalizing LEAN culture of continuous improvement
- Strengthening Community Colleges
(Including improving transfer and aligning outcomes with workforce needs)

➤ Sustaining collaboration with P-12

- College Readiness
- Professional Development for Teachers

➤ Improving higher education outcomes

- Reinventing Developmental Education/ABE
- Outcomes-based Funding for Institutions



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Outcomes-Based Funding Recommendation for Universities

- Fund outcomes outside the current formula using 10% of undergraduate funding
- Allocate funds using a 3-year rolling average on seven defined metrics
- Assign a double weight to the Critical Workforce Needs metric
- Implement beginning in Fiscal Year 2014



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Outcomes-Based Funding for Universities

Metrics for Measuring Student Success

<u>Critical Workforce Needs (Double Weight)</u> Degrees awarded in fields identified as critical workforce needs.	
<u>Total Undergraduate Degrees</u> Total Bachelor's Degrees awarded at the institution	<u>Institutional Mission</u> Bachelor's Degrees awarded per 100 full time student equivalents (FTSE)
<u>Persistence</u> Points awarded for students who complete their 30th, 60th, or 90th hour at the institution	<u>At-Risk Student</u> Degrees awarded to students who meet federal criteria for being at high risk of dropping out.
<u>Time-to-Degree</u> Bachelor's Degrees awarded times the institution's six-year graduation rate	<u>Cost-to-Degree</u> Bachelor's Degrees awarded adjusted for instructional costs



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Our vision for the next generation of learners will require "disruptive innovation"

Improving the availability and effectiveness of technology on campus is an **opportunity** for institutions:

- **43%** of students agree their institutions need more technology
- **Only 1 in 4 (22%)** students strongly agree their institutions use the technology they have effectively.

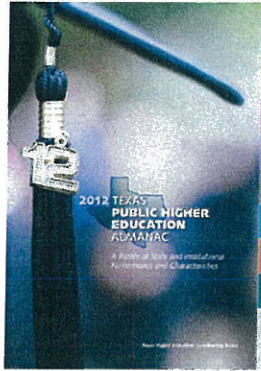



Source: EDUCAUSE Center for Applied Research

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Access to relevant data on higher education performance is critical



U.S. Chamber of Commerce, June 2012:

"When it comes to transparency and public accountability...Texas, with its comprehensive accountability system and in-depth web-based almanac of college performance, led the charge."

The **Almanac** includes:

- ❖ National rankings on key measures
- ❖ Status of *Closing the Gaps*
- ❖ Highlights of key higher education issues
- ❖ Data profiles on every public university and community college



Available online at www.thecb.state.tx.us/almanac
THECB data website: www.txhighereddata.org

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

September 18, 2012

The Board of Regents, Midwestern State University, met in special session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 8:30 a.m., Tuesday, September 18, 2012. Board members in attendance at the university were Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; Mrs. Jane Carnes; and Mr. Charles Engelman. Regents attending the meeting via teleconference connection were Mr. Shawn Hessing, Chairman; Mrs. Tiffany Burks; Mr. Jeff Gregg; and Mr. Sam Sanchez.

Administrative staff members present at the meeting included Dr. Jesse W. Rogers, President; Dr. Marilyn Fowlé, Vice President for Business Affairs and Finance; Ms. Gail Ferguson, Controller; Mr. Barry Macha, General Counsel; Mr. David Spencer, Internal Auditor; Mr. Dirk Welch, Chairman of the MSU Staff Senate; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the news media was Ms. Ann Work, reporter for the *Times Record News*.

Chairman Hessing called the meeting to order at 8:30 a.m.

Public Comment

Mr. Hessing stated that in accordance with the Board of Regents By-Laws, MSU Policy 2.22, members of the public are invited to address the Midwestern State University Board of Regents through written and oral testimony. He noted that no one had signed up to speak.

Texas Public Finance Authority MSU Bond Resolution

13-01. Mr. Hessing reported that during the May meeting the board approved a resolution authorizing the refinancing of Series 2002 and Series 2003 bonds. He noted that the board must approve a final resolution as shown in the agenda. He added that each board member had been sent a copy of the full resolution. He asked Dr. Fowlé if there was anything else the board needed to know about the resolution or the refinancing process. Dr. Fowlé responded that there was nothing further to report. Mr. Hessing noted the summary of refinancing savings as shown in Attachment 1.

Mr. Bernhardt moved approval of the resolution as presented. Mr. Bryant seconded the motion and it was approved.

Adjournment

There being no further business, the meeting was adjourned at 8:32 a.m.

I, J. Kenneth Bryant, the fully appointed and qualified Secretary of the Midwestern State University Board of Regents, hereby certify that the above and foregoing is a true and correct copy of the minutes of the Midwestern State University Board of Regents meeting September 18, 2012.



J. Kenneth Bryant Secretary

ATTACHMENT:

1. Refinancing Savings Estimate

SAVINGS

Texas Public Finance Authority
Taxable Series 2012B
Revenue Financing System Revenue Refunding Bonds, Series 2012A and Taxable Series 2012B
Interest based on A1/AA- Ratings
Tax-exempt and Taxable Scales as of 9/11/2012
Preliminary - For Discussion Purposes Only

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 10/09/2012 @ 2.7577355%
08/31/2013	241,422.50	206,144.43	35,278.07	34,407.82
08/31/2014	241,422.50	203,227.50	38,195.00	36,301.39
08/31/2015	241,422.50	202,576.50	38,846.00	35,929.78
08/31/2016	241,422.50	201,785.50	39,637.00	35,679.50
08/31/2017	681,297.50	642,602.50	38,695.00	33,951.90
08/31/2018	679,422.50	639,397.00	40,025.50	34,276.54
08/31/2019	681,163.75	644,547.50	36,616.25	30,539.47
08/31/2020	682,305.00	642,822.00	39,483.00	32,139.06
08/31/2021	681,602.50	643,940.00	37,662.50	29,877.27
08/31/2022	679,000.00	643,042.50	35,957.50	27,805.42
08/31/2023	679,750.00	640,560.00	39,190.00	29,562.85
08/31/2024	679,000.00	641,502.50	37,497.50	27,575.36
08/31/2025	681,625.00	645,795.00	35,830.00	25,691.54
	7,090,856.25	6,597,942.93	492,913.32	413,737.89

Savings Summary

PV of savings from cash flow	413,737.89
Plus: Refunding funds on hand	1,148.46
Net PV Savings	414,886.35

Note: Call Date: 12/1/2022